

Special Executive Report

S-7551

January 5, 2016

Initial Listing of 10-Year U.S. Treasury Note Futures and Companion Options Contracts

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) will list 10-Year U.S. Treasury Note futures (the “Ultra 10-Year Futures Contract”) and companion options (the “Ultra 10-Year Options Contracts”) and collectively, (the “Ultra 10-Year Contracts”) for trading on Sunday, January 10, 2016 for trade date **Monday, January 11, 2016**. The Exchange will list Ultra 10-Year Futures Contracts for trading on the CME Globex Electronic Trading Platform (“CME Globex”) (TN) and the Ultra 10-Year Options Contracts for trading on both the CBOT trading floor (OTN) and CME Globex (OTN).

Appendix A and Appendix B provide contract specifications and fee schedule for the Ultra 10-Year Contracts, respectively.

Please refer questions regarding to:

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Appendix A

Ultra 10-Year Futures Contract Specifications

CBOT Rulebook Chapter: 26 10-Year U.S. Treasury Note Futures

Trading Unit	One (1) U.S. Treasury note having a face value at maturity of \$100,000 or multiples thereof.
Deliverable Grade	Original issue 10-Year Treasury notes with not less than 9 years 5 months and not more than 10 years of remaining term to maturity from first day of futures delivery month.
Delivery Months	Nearest 3 months in the March-June-September-December quarterly cycle.
Conversion Factor	The invoice price equals the futures settlement price times a conversion factor plus accrued interest. The conversion factor is the price of \$1 par value of the delivered note to yield 6 percent per annum.
Price Basis	Points and fractions of points, with par on the basis of 100 points. For example, 91-16 represents 91 and 16/32, 91-17 represents 91 and 17/32, and 91-18 represents 91 and 18/32.
Contract Size	\$1,000 per point (\$100,000 per contract)
Minimum Price Increment	½ of 1/32nd point (\$15.625 per contract). Minimum increment for inter-month spreads will be ¼ of 1/32nd point (\$7.8125 per contract).
Last Trading Day	Seventh business day preceding the last business day of the delivery month. Trading in expiring contracts terminates at 12:01 p.m. Chicago time on the last trading day.
Last Delivery Day	Last business day of the delivery month.
Delivery Method	Federal Reserve book-entry wire-transfer system.
Trade Matching Algorithms	F: FIFO for outright transactions K: Split FIFO/Pro Rata, with settings of 20% FIFO and 80% Pro Rata for calendar spreads.
Block Trade Thresholds and Reporting Requirements	RTH 5,000+ contracts ETH 2,500+ contracts ATH 1,250+ contracts Block trades executed during RTH must be reported to the Exchange by the seller within 5 minutes of transaction. Block trades executed during ETH or ATH must be reported to the Exchange by the seller within 15 minutes of transaction.
Trading Hours and Venue	<i>CME Globex:</i> 5:00 p.m. to 4:00 p.m. Central Time (CT), Sun-Fri. <i>CME ClearPort:</i> 5:00 p.m. to 4:00 p.m. CT, Sun-Fri.
Ticker Symbol	TN

Ultra 10-Year Options Contracts Specifications

CBOT Rulebook Chapter: 26A Standard Options on 10-Year U.S. Treasury Note Futures

Standard Options

Contract Size	One (1) 10-Year U.S Treasury Note Future (TN).
Contract Months	The first three consecutive contract months (two serial expirations and one quarterly expiration) plus the next two months in the quarterly cycle (March, June, September, December). Serials will exercise into the first nearby quarterly futures contract. Quarterlies will exercise into futures contracts of the same delivery period. For example, January, February and March options exercise into the March futures contract.
Minimum Trade Increment	1/64 th of a point (\$15.625 per contract), rounded to the nearest cent/contract. For cabinet transactions only, minimum tick sizes range from \$1.00 to \$15.00, in \$1.00 increments per option contract.
Strike Price Interval	Strike prices will be listed in increments of one-half of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price plus the next fifty consecutive higher and the next fifty consecutive lower strike prices.
Last Trading Day	Options cease trading on the last Friday, which precedes by at least two business days, the last business day of the month preceding the option month.
Expiration	On the last trading day, trading in expiring options ceases at the close of the regular CME Globex trading session for the corresponding futures contract. Unexercised options shall expire at 7:00 p.m. Central Time (CT) on the last trading day.
Exercise Style	American Style: The buyer of an option may exercise the option on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Options that expire in-the-money are automatically exercised after 6:00 p.m. CT, into a futures position, unless specific instructions are given to CME Clearing. Exercise, whether voluntary or automatic, is determined in relation to the daily settlement price of the underlying futures price at 2:00 p.m., CT.
Block Trade Thresholds and Reporting Requirements	RTH 7,500+ contracts ETH 3,750+ contracts ATH 1,875+ contracts Block trades executed during RTH must be reported to the Exchange by the seller within 5 minutes of transaction. Block trades executed during ETH or ATH must be reported to the Exchange by the seller within 15 minutes of transaction.
Trading Hours and Venue	<i>CME Globex:</i> 5:00 p.m. to 4:00 p.m. CT, Sun-Fri. <i>Open Outcry:</i> 7:20 a.m. to 2:00 p.m. CT, Mon-Fri
Ticker Symbol	<i>CME Globex:</i> OTN <i>Open Outcry:</i> OTN

Weekly Options

CBOT Rulebook Chapter: 26B Flexible Options on 10-Year U.S. Treasury Note Futures

Contract Size	One (1) 10-Year U.S Treasury Note Future (TN).
Minimum Trade Increment	1/64th of a point (\$15.625 per contract), rounded to the nearest cent/contract. For cabinet transactions only, minimum tick sizes range from \$1.00 to \$15.00, in \$1.00 increments per option contract.
Strike Price Interval	Strike prices will be listed in increments of one-half of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price plus the next fifty consecutive higher and the next fifty consecutive lower strike prices.
Last Trading Day	Week 1 - 1st Friday of the month Week 2 - 2nd Friday of the month Week 3 - 3rd Friday of the month Week 4 - 4th Friday of the month Week 5 - 5th Friday of the month A given Friday that is not also the last trading day of a monthly serial or quarterly Treasury option. If such a Friday is the last trading day of a monthly serial or quarterly Treasury option, there will be no Weekly Treasury option listed for trading for that expiration date.
Expiration	On the last trading day, trading in expiring options ceases at the close of the regular CME Globex trading session for the corresponding futures contract. Unexercised options shall expire at 7:00 p.m. Central Time (CT) on the last trading day.
Exercise Style	American Style: The buyer of an option may exercise the option on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Options that expire in-the-money are automatically exercised after 6:00 p.m. CT, into a futures position, unless specific instructions are given to CME Clearing. Exercise, whether voluntary or automatic, is determined in relation to the daily settlement price of the underlying futures price at 2:00 p.m., CT.
Block Trade Thresholds and Reporting Requirements	RTH 7,500+ contracts ETH 3,750+ contracts ATH 1,875+ contracts Block trades executed during RTH must be reported to the Exchange by the seller within 5 minutes of transaction. Block trades executed during ETH or ATH must be reported to the Exchange by the seller within 15 minutes of transaction.
Trading Hours and Venue	<i>CME Globex:</i> 5:00 p.m. to 4:00 p.m. CT, Sun-Fri. <i>Open Outcry:</i> 7:20 a.m. to 2:00 p.m. CT, Mon-Fri
Ticker Symbol	<i>CME Globex:</i> TN1 – TN5 <i>Open Outcry:</i> TN1-TN5

Appendix B

Ultra 10-Year Contracts Fee Schedule

Level	Account Owner	Execution Type	Platform	Execution	Clearing	All-In
Individual Member						
1	Individual Members	Member Trading Own Account	Open Outcry	\$0.06	\$0.06	\$0.12
			CME Globex	\$0.06	\$0.06	\$0.12
	Individual Delegates	Delegate Trading Own Account	Open Outcry	\$0.20	\$0.06	\$0.26
			CME Globex	\$0.20	\$0.06	\$0.26
Equity Members (Individual Equity members, Clearing Firms and Equity Firms)						
2	Equity Members	Member or Delegate	Open Outcry	\$0.06	\$0.06	\$0.12
			CME Globex	\$0.06	\$0.06	\$0.12
	Equity Members	Non Member	Open Outcry	\$0.06	\$0.06	\$0.12
			CME Globex	\$0.15	\$0.06	\$0.21
	(Exception) Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non Membernev	Open Outcry	\$0.06	\$0.06	\$0.12
			CME Globex	\$0.15	\$0.06	\$0.21
Trading Members (Individual Non-Equity Members and Non-Equity Member Firms)						
3	Individual Non-Equity Members (other memb /delegate executing); Rule 106.H. Corporate Trading Firms; Rule 106.H. Trading FCMs; & Rule 106.I. Affiliate Trading Member Firms	Open Outcry	\$0.20	\$0.06	\$0.26	
		CME Globex	\$0.25	\$0.06	\$0.31	
	Individual Delegates (Other Member or Delegate executing the trade) & Rule 106.I. Affiliate Trading Member Firms	Open Outcry	\$0.35	\$0.06	\$0.41	
		CME Globex	\$0.38	\$0.06	\$0.44	
	Rule 106.S. Family of Funds Equity Member Firms	Open Outcry	\$0.20	\$0.06	\$0.26	
		CME Globex	\$0.25	\$0.06	\$0.31	
Electronic Corporate Member Firms						
4	Electronic Corporate Members		CME Globex	\$0.38	\$0.06	\$0.44
Non Members						
5	Non Members	Fut	Open Outcry	\$0.40	\$0.06	\$0.46
			CME Globex	\$0.69	\$0.06	\$0.75
		Opt	Open Outcry	\$0.59	\$0.06	\$0.65
			CME Globex	\$0.75	\$0.06	\$0.81

Other CBOT Processing Fees	Rate
Ex-Pit Surcharges –EFPs, EFRs, Block and Block Spread	\$0.75
Exchange Fees for Non Trades	\$0.05/\$0.20/\$0.50
Brokerage Fees – with discretion	\$0.00/\$0.15
Brokerage Fees – without discretion	\$0.04/\$0.17
Clearing Fees	\$0.06
Facilitation Fee	\$0.40
Position Adjustments /Position Transfers	\$0.10

Exercise/Assignment Surcharge	\$0.05
Expired Options	\$0.05
Future from Exercise and Assignment Surcharge	\$0.05