

Special Executive Report

S-7926

May 31, 2017

Half-Tick Threshold Available for Option Spreads on Standard and Poor's 500 Stock Price Index Futures Contracts (Open Outcry and CME ClearPort)

Effective Sunday, June 25, 2017 for trade date Monday, June 26, 2017, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will modify the threshold below which spreads consisting of options on Standard and Poor's 500 Stock Price Index Futures contracts (the "Contracts") may be priced in increments of 0.05 increment (0.05 being the reduced tick or "half tick" of the standard 0.10 tick increment).

Currently an intramarket spread or combination that has a net point value less than **5.00 index points** may be priced in 0.05 increments (half-tick or reduced tick). An intramarket spread or combination greater than **5.00 index points** will be subject to the full-tick requirements of the individual legs of the spread, which for the Contracts' related futures is 0.10 increment.

The **5.00** index point maximum threshold is being increased to **10.00** index points.

Henceforth an intramarket spread or combination that has a net point value less than **10.00 index points** may be priced in 0.05 increments (half-tick or reduced tick). An intramarket spread or combination greater than **10.00 index points** will be subject to the full-tick requirements of the individual legs of the spread, which for the Contracts' related futures contract is 0.10 increments.

The "reduced tick" exception shall be limited to spreads or combinations executed either in open outcry or as privately negotiated trades. That is, the maximum threshold shall remain 5.00 index points for reduced-tick pricing of the component options in any such intramarket spread or combination trade that is transacted on CME Globex electronic trading platform.

The Commodity Futures Trading Commission ("CFTC") will be notified of the amendments during the week of July 3, 2017, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

The attached table displays both the original and the modified thresholds.

Please refer questions regarding this notice to:

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Contract Title	Commodity Code	Current Threshold	Venue	Amended Threshold effective trade date June 26, 2017
Options on Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)	EV	5.00	Open Outcry, CME ClearPort	10.00
		5.00	CME Globex	5.00 (no change)
Weekly Options on Standard and Poor's 500 Stock Price Index Futures - (European-Style)	EV#	5.00	Open Outcry, CME ClearPort	10.00
		5.00	CME Globex	5.00 (no change)
Monday Weekly Options on Standard and Poor's 500 Stock Price Index Futures - (European-Style)	S#A	5.00	Open Outcry, CME ClearPort	10.00
		5.00	CME Globex	5.00 (no change)
Wednesday Weekly Options on Standard and Poor's 500 Stock Price Index Futures - (European-Style)	S#C	5.00	Open Outcry, CME ClearPort	10.00
		5.00	CME Globex	5.00 (no change)
Options on Standard and Poor's 500 Stock Price Index Futures – (American-Style)	SP	5.00	Open Outcry, CME ClearPort	10.00
		5.00	CME Globex	5.00 (no change)