



Special Executive Report

DATE: February 26, 2018

SER#: 8102

SUBJECT: Variable Storage Rate (VSR) Results for Wheat and KC HRW Wheat Premium (Storage) Rates

The Variable Storage Rate (VSR) mechanism in The Board of Trade of the City of Chicago, Inc. ("CBOT"):

- (1) Wheat futures contract (CME Globex Code: ZW; Clearing and CME ClearPort Code: W; Rulebook Chapter: 14); and
- (2) KC HRW Wheat futures contract (CME Globex Code: KE; Clearing and CME ClearPort Code: KW; Rulebook Chapter: 14H)

examines nearby calendar spreads to determine adjustments in maximum contract premium (storage) rates. Below are the results of the March 2018 – May 2018 calendar spread relative to financial full carry during the period of December 19, 2017 through February 23, 2018.

Wheat Futures

The March 2018 – May 2018 wheat calendar spread averaged **51.46 percent** of financial full carry during the period of December 19, 2017 through February 23, 2018. Since this result falls between 50 percent and 80 percent of financial full carry, the maximum premium charge that a Chicago SRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 36.5/100s of one cent per bushel per day (approximately 11 cents per bushel per month).

KC HRW Wheat Futures

The March 2018 – May 2018 wheat calendar spread averaged **95.43 percent** of financial full carry during the period of December 19, 2017 through February 23, 2018. Since this result falls above 80 percent of financial full carry, the maximum premium charge that a KC HRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will increase** from the current maximum charge of 19.7/100s of one cent per bushel per day (approximately 6 cents per bushel per month) to 26.5/100s of one cent per bushel per day (approximately 8 cents per bushel per month).

The next evaluation period for both contracts will measure the May 2018 – July 2018 calendar spread relative to financial full carry during the period of March 19, 2018 to April 20, 2018 with the next possible adjustment to contract premium charges on May 18, 2018.

Questions may be directed to Fred Seamon in Research and Product Development (312-634-1587 or Fred.Seamon@CMEGroup.com).