



Special Executive Report

S-8097R

April 11, 2018

Initial Listing of the Three-Month SOFR Futures Contract and the One-Month SOFR Futures Contract

SER 8097R supersedes SER 8097, issued on March 1, 2018, and is being issued to reflect revisions to minimum size requirements for block trades in Three-Month SOFR Futures and in One-Month SOFR Futures.

Effective Sunday, May 6, 2018, for trade date Monday, May 7, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will list the Three-Month SOFR Futures contract (Commodity Code: SR3; Rulebook Chapter: 460) and the One-Month SOFR Futures contract (Commodity Code: SR1; Rulebook Chapter: 461) for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

Exhibit 1 summarizes contract specifications for Three-Month SOFR Futures. Exhibit 2 summarizes contract specifications for One-Month SOFR Futures. Exhibit 3 sets forth the applicable Exchange fees.

Please refer questions to:

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Exhibit 1 -- Contract Specifications for Three-Month SOFR Futures

Unless otherwise noted, all times of day are Chicago time ("CT").

Trading Unit	Compounded daily Secured Overnight Financing Rate ("SOFR") interest during contract Reference Quarter, such that each basis point per annum of interest = \$25 per contract. <i>Reference Quarter:</i> For a given contract, interval from (and including) 3 rd Wed of 3 rd month preceding Delivery Month, to (and not including) 3 rd Wed of Delivery Month.
Price Basis	Contract-grade IMM Index: <i>100 minus R</i> <i>R</i> = Compounded daily SOFR interest during contract Reference Quarter. (See Delivery .) <i>Example:</i> Contract price of 97.2850 IMM Index points signifies <i>R</i> = 2.715 percent per annum.
Contract Size	\$2,500 x contract-grade IMM Index
Minimum Price Increment	<i>Any Contract with Four Months or Less Until Last Day of Trading:</i> 0.0025 IMM Index points (¼ basis point per annum) equal to \$6.25 per contract <i>All Other Contracts:</i> 0.005 IMM Index points (½ basis point per annum) equal to \$12.50 per contract
Delivery Months	Nearest 20 March Quarterly months (Mar, Jun, Sep, Dec) First nearby listed month: Contract Month = Jun 2018 (Delivery Month = Sep 2018) For each contract, <i>Contract Month</i> is the month in which Reference Quarter begins. <i>Example:</i> For the Jun 2018 contract, Reference Quarter starts on IMM Wed of Jun 2018 and ends with Termination of Trading on the first US government securities market business day before IMM Wed of Sep 2018, the contract Delivery Month.
Termination of Trading	<i>Last Day of Trading:</i> Exchange Business Day first preceding 3 rd Wed of Delivery Month. <i>Termination of Trading:</i> Close of CME Globex trading on Last Day of Trading.
Delivery	By cash settlement, by reference to Final Settlement Price, on first US government securities market business day following Last Day of Trading (typically 3 rd Wed of Delivery Month). Final Settlement Price: Contract-grade IMM Index (100 minus <i>R</i>) evaluated on the basis of realized SOFR values during contract Reference Quarter: $R = [\prod_{i=1 \dots n} \{1 + (d_i/360) * (r_i/100)\} - 1] \times (360/D) \times 100$ $n = \text{Number of US government securities market business days in the Reference Quarter}$ $i \sim \text{Running variable indexing US government securities market business days during Reference Quarter, } i = 1, 2, \dots, (n-1), n.$ $\prod_{i=1 \dots n} \text{denotes the product of values indexed by the running variable, } i = 1, 2, \dots, n.$ $r_i = \text{SOFR value for } i^{\text{th}} \text{ US government securities market business day}$ $d_i = \text{Number of calendar days to which } r_i \text{ applies}$ $D = \sum_i d_i \text{ (ie, number of calendar days in Reference Quarter)}$
Trading Venues and Hours	CME Globex and CME ClearPort: 5pm to 4pm CT, Sun-Fri.
CME Globex Algorithm	Allocation (A Algorithm, with Top Order Allocation = 100% and Pro Rata Allocation = 100%)
Block Trade Minima	250 contracts in Asian Trading Hours (4pm–12am CT, Mon-Fri on regular business days and at all weekend times) 500 contracts in European Trading Hours (12am–7am CT, Mon-Fri on regular business days) 1,000 contracts in Regular Trading Hours (7am–4pm CT, Mon-Fri on regular business days)
Commodity Code	SR3

Exhibit 2 -- Contract Specifications for One-Month SOFR Futures

Unless otherwise noted, all times of day are Chicago time (CT).

Trading Unit	Average daily SOFR interest during futures contract Delivery Month, such that each basis point per annum of interest is worth \$41.67 per futures contract.
Price Basis	Price is quoted in terms of the contract-grade IMM Index: <i>100 minus R</i> <i>R</i> = Average daily SOFR interest during futures contract Delivery Month. <i>Example:</i> Contract price of 97.4500 IMM Index points signifies <i>R</i> = 2.55 percent per annum.
Contract Size	\$4,167 x contract-grade IMM Index
Minimum Price Increment	0.005 IMM Index points (½ basis point per annum) equal to \$20.835 per contract, provided that: <ul style="list-style-type: none"> • If first day of contract Delivery Month is Sat, Sun, or Mon, then minimum price increment is 0.0025 Index points, equal to \$10.4175 per contract, as of first Exchange Trading Day of contract Delivery Month. • If first day of contract Delivery Month is Tue, Wed, Thurs, or Fri, then minimum price increment is 0.0025 Index points, equal to \$10.4175 per contract, as of last Sunday of month preceding contract Delivery Month.
Delivery Months	Nearest 7 calendar months. First nearby listed month: May 2018
Termination of Trading	<i>Last Day of Trading:</i> Last Exchange Business Day of contract delivery month. <i>Termination of Trading:</i> Close of CME Globex trading on Last Day of Trading.
Delivery	By cash settlement, by reference to Final Settlement Price on first US government securities market business day following Last Day of Trading. Final Settlement Price: Contract-grade IMM Index evaluated at <i>R</i> = arithmetic average of daily SOFR values during Delivery Month.
Trading Venues and Hours	CME Globex and CME ClearPort: 5pm to 4pm CT, Sun-Fri.
CME Globex Algorithm	Split FIFO and Pro-Rata (K Algorithm, with Top Order Allocation = 100% and Pro Rata Allocation = 100%)
Block Trade Minima	125 contracts in Asian Trading Hours (4pm–12am CT, Mon-Fri on regular business days and at all weekend times) 250 contracts in European Trading Hours (12am–7am CT, Mon-Fri on regular business days) 500 contracts in Regular Trading Hours (7am–4pm CT, Mon-Fri on regular business days)
Commodity Code	SR1

Exhibit 3 –**Exchange Fees per Side per Contract for Three-Month SOFR Futures and One-Month SOFR Futures**

Membership Type	Venue/Transaction Type	Front Months	Back Months
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex - Outrights	\$0.19	\$0.14
	CME Globex - Spreads		
	EFPI EFR Block	\$0.29	\$0.24
Rule 106.D Lessees Rule 106.F Employees	CME Globex - Outrights	\$0.37	\$0.32
	CME Globex - Spreads		
	EFPI EFR Block	\$0.50	\$0.45
Rule 106.R Electronic Corporate Member (For other than CME Globex EFPI EFR Block - See Non-Members)	CME Globex - Outrights	\$0.49	\$0.44
	CME Globex - Spreads		
	EFPI EFR Block	\$0.90	\$0.85
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	CME Globex - Outrights	\$0.49	\$0.44
	Globex - Spreads		
	EFPI EFR Block	\$0.69	\$0.64
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants	CME Globex - Outrights	\$0.50	
	CME Globex - Spreads		
	EFPI EFR Block	\$0.66	
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex EFPI EFR Block - See Non-Members)	CME Globex - Outrights	\$0.50	
	CME Globex - Spreads		
	EFPI EFR Block	\$0.90	
Members Trading Outside of Division (For other than CME Globex During ETH - See Non-Members)	CME Globex - During ETH - Outrights	\$0.80	\$0.75
	CME Globex - During ETH - Spreads		
Non-Members	CME Globex - Outrights	\$1.25	\$0.95
	CME Globex - Spreads		
	CME Globex - Bundles	\$0.80	
	EFPI EFR Block	\$1.35	\$1.05

Processing Fees	Fee
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

For more information about Exchange fees please visit:

<http://www.cmegroup.com/company/files/cme-fee-schedule-2018-01-01.pdf>