



Special Executive Report

DATE: August 27, 2018

SER#: 8225

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 September 2018 – December 2018 calendar spread relative to financial full carry during the period of July 19, 2018 through August 24, 2018.

Wheat and Mini-Sized Wheat Futures – (No Change)

The September 2018 – December 2018 Wheat calendar spread averaged **52.15 percent** of financial full carry during the period of July 19, 2018 through August 24, 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 & Mini-Sized KC HRW Wheat Futures – (No Change)

The September 2018 – December 2018 KC HRW Wheat calendar spread averaged **69.22 percent** of financial full carry during the period of July 19, 2018 through August 24, 2018. Since this result falls between 50 percent and 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 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).

The Next Evaluation Period

The next evaluation period for both contracts will measure the December 2018 – March 2019 calendar spread relative to financial full carry during the period of September 19, 2018 to November 23, 2018 with the next possible adjustment to contract premium charges on December 19, 2018.

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