



Special Executive Report

DATE: January 29, 2019

SER#: 8308

SUBJECT: Amendments to the Bloomberg Roll Select Commodity Index Futures and S&P GSCI ER Index Futures Contracts Daily Settlement Procedure Documents

Effective trade date February 19, 2019, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") will amend the Daily Settlement Procedure Documents relating to the Bloomberg Roll Select Commodity Index Futures and the S&P GSCI ER Index Futures contracts noted in the table below (the "Contracts").

Contract Title	Rulebook Chapter	CME Globex Code	CME ClearPort Code
Bloomberg Roll Select Commodity Index Futures	CBOT 29D	DRS	DRS
S&P GSCI ER Index Futures	CME 415	GIE	GA

Specifically, the Exchanges are amending the settlement methodologies to further align the daily settlement prices of the Contracts with the underlying cash indexes. Previously, the tiered protocol utilized CME Globex volume and/or bids and offers in addition to a cost of carry contribution submitted by participating dealers and market makers. The amendments will simplify the settlement process allowing for quicker derivation and dissemination of settlement prices. The Exchanges anticipate that the amendments will also enhance the relevance of settlement, particularly during periods of reduced liquidity, which will further align the Contracts' characteristics with customer expectations.

The amended Daily Settlement Procedure Documents for the Contracts are provided in Exhibits A and B below in blackline format.

Inquiries regarding the aforementioned may be directed to the CME Group Global Command Center at 312.456.2391. Questions regarding this Special Executive Report may be directed to the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, in Asia at 65.6532.5010, or GCC@cmegroup.com.

Exhibit A

Bloomberg Roll Select Commodity Index Futures (DRS) Daily Settlement Procedure Document

(deletions, **additions**)

Normal Daily Settlement

~~CME Group Staff determines the daily settlement price for Bloomberg Roll Select Commodity Index Futures (DRS) with open interest.~~

~~Tier 1: If a trade occurs on CME Globex or as a Block between 13:39:30 and 13:40:00 Central Time (CT), the settlement period, then the contract settles to either the last trade price or to the better bid or ask price~~

~~Tier 2: If no trades occur on CME Globex or as a Block between 13:39:30 and 13:40:00 CT, then the Bloomberg Roll Select Commodity Index Futures contract price is calculated using the following settlement formula:~~

~~S = Spot price~~

~~C = Cost of carry contribution*~~

~~d = Days to expiration~~

$$\text{DRS} = S * [1 + \{C * (d/365)\}]$$

~~The cost of carry contribution (C) is the average of the values submitted by participating dealers/market makers in this product, and the most recent contribution (C) is used in the settlement formula. Cost of carry contributions must be emailed to ChicagoSettlementTeam@cmegroup.com by no later than 12:01:00 CT to be included in that day's Bloomberg Roll Select Commodity IndexSM Futures price calculation.~~

~~The contracts settle to either this calculated futures price or to the better bid or ask price:~~

~~a. If the current bid price is higher than the calculated futures price, then the contract settles to the bid price.~~

~~b. If the current ask price is lower than the calculated futures price, then the contract settles to the ask price.~~

~~c. If the calculated futures price is equal to or between the current bid and ask, then the contract settles to the calculated futures price.~~

~~Tier 3: In the absence of any CME Globex bid/ask markets between 13:39:30 and 13:40:00 CT, the futures contract settles to the price derived from the above settlement formula.~~

CME Group staff publishes daily settlements for all Bloomberg Roll Select Commodity Index Futures (DRS) with open interest.

Each business day, Bloomberg calculates and publishes daily settlement prices for the Bloomberg Roll Select Commodity Index Futures based on the settlements of the index's component commodity futures contracts. CME Group staff then rounds this price to the nearest tradable tick and publishes it as the daily settlement for each Bloomberg Roll Select Commodity Index Futures contract with open interest.

If Bloomberg does not provide a cash price by 15:30 Central Time (CT), then the futures with open interest settle to the last-published settlement price.

Exhibit B

S&P GSCI Excess Return Futures (GIE) Daily Settlement Procedure Document

(deletions, **additions**)

Normal Daily Settlement

~~CME Group Staff determines the daily settlement price for Standard & Poor's GSCI Excess Return Futures (GIE) with open interest.~~

~~Tier 1: If a trade occurs on CME Globex or as a Block between 13:39:30 and 13:40:00 Central Time (CT), the settlement period, then the contract settles to either the last trade price or to the better bid or ask price~~

~~Tier 2: If no trades occur on CME Globex or as a Block between 13:39:30 and 13:40:00 CT, then the GSCI Excess Return futures contract price is calculated using the following settlement formula:~~

~~GSCI Excess Return futures contract (GIE)~~

~~S = Spot price~~

~~C = Cost of carry contribution*~~

~~d = Days to expiration~~

$$\text{GIE} = S * [1 + \{C * (d/365)\}]$$

~~*The cost of carry contribution (C) is the average of the values submitted by participating dealers/market makers in this product, and the most recent contribution (C) is used in the settlement formula. Cost of carry contributions must be emailed to ChicagoSettlementTeam@cmegroup.com by no later than 12:01:00 CT to be included in that day's GSCI Excess Return Futures price calculation.~~

~~The contracts settle to either this calculated futures price or to the better bid or ask price:~~

~~a. If the current bid price is higher than the calculated futures price, then the contract settles to the bid price.~~

~~b. If the current ask price is lower than the calculated futures price, then the contract settles to the ask price.~~

~~c. If the calculated futures price is equal to or between the current bid and ask, then the contract settles to the calculated futures price.~~

~~Tier 3: In the absence of any CME Globex bid/ask markets between 13:39:30 and 13:40:00 CT, the futures contract settles to the price derived from the above settlement formula.~~

CME Group staff publishes daily settlements for all S&P GSCI Excess Return Futures (GIE) with open interest.

Each business day, Standard & Poor's calculates and publishes daily settlement prices for the S&P GSCI Excess Return Futures based on the settlements of the index's component commodity futures contracts. CME Group staff then rounds this price to the nearest tradable tick and publishes it as the daily settlement for each S&P GSCI Excess Return Futures contract with open interest.

If Standard & Poor's does not provide a cash price by 15:30 Central Time (CT), then the futures with open interest settle to the last published settlement price.