CME Group

Special Executive Report

S-8314

January 16, 2019

Amendments to Strike Price and Listing Schedule for Options on Euro/British Pound Sterling (EUR/GBP) Futures Contracts

Effective Sunday, January 27, 2019, for trade date Monday, January 28, 2019, Chicago Mercantile Exchange Inc. ("CME") will amend the strike price listing schedule for Options on Euro/British Pound Sterling Futures contracts (collectively, the "Option Contracts") as described below.

CME Globex Code/ Clearing Code	Product	Current Strike Price Listing Schedule	Amended Strike Price Listing Schedule
RP/ RP	Front Month Quarterly or Serial Option on Euro/British Pound Sterling (EUR/GBP) Futures	24 strike increments of 0.0025 above and below the at-the-money (ATM) strike	8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 10 strike increments of 0.0050
RP / RP	All Other Quarterly and Serial Options on Euro/British Pound Sterling (EUR/GBP) Futures	24 strike increments of 0.0025 above and below the at-the-money (ATM) strike	10 strike increments of 0.0050 above and below the at-the-money (ATM) strike plus an additional 10 strike increments of 0.0100
1E-5E / 1E-5E	Euro/British Pound Sterling (EUR/GBP) Weekly Options	24 strike increments of 0.0025 above and below the at-the-money (ATM) strike	8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 10 strike increments of 0.0050

The Commodity Futures Trading Commission ("CFTC") will be notified of the aforementioned amendments to the Option Contracts during the week of February 4, 2019, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

Amendments to CME Rulebook 301A are provided in blackline format in Exhibit 1.

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Exhibit 1

CME Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 301A
Options on Euro/British Pound Sterling (EUR/GBP) Cross Rate Futures

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301A01. OPTIONS CHARACTERISTICS

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301A01.I. Exercise Prices and Listing of Exercise Prices

~~Regular exercise prices shall be stated in terms of British pounds sterling per Euro at intervals of £0.0025, e.g., £0.66750, £0.67000, £0.67250, etc.~~

~~301A02. LISTING OF EXERCISE PRICES~~

1. Front Monthly Option~~s~~ in the March Quarterly Cycle ("Quarterly Option~~s~~") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

   At the commencement of trading in a contract month, the Exchange shall list put and call options at the 0.0025 GBP per EUR regular exercise price that is nearest the previous day's settlement price of the underlying futures contract as well as at the next ~~twenty-four~~ eight higher and next ~~twenty-four~~ eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the 0.0050 GBP per EUR regular exercise price.

   When a sale, bid, offer, or settlement price in the underlying futures contract occurs within half a regular 0.0025 GBP per EUR exercise price interval of the ~~twenty-fourth~~ eighth highest or ~~twenty-fourth~~ eighth lowest existing regular exercise price, put and call options at the next higher or next lower 0.0025 and 0.0050 GBP per EUR regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

   The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Non-Front Quarterly and Serial Options ~~Not in the March Quarterly Cycle ("Serial" and "Weekly Options")~~

   At the commencement of trading in a contract month, the Exchange shall list put and call options at the 0.0050 GBP per EUR regular exercise price that is nearest the previous day's settlement price of the underlying futures contract as well as at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the 0.0100 GBP per EUR regular exercise price.

   When a sale, bid, offer, or settlement price in the underlying futures contract occurs within half a regular 0.0050 GBP per EUR exercise price interval of the tenth highest or tenth lowest existing regular exercise price, put and call options at the next higher or next lower 0.0050 and 0.0100 GBP per EUR regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

   The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

   ~~Upon demand, the Exchange shall list put and call options at any exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. Options may be listed for trading up to and including the termination of trading.~~

3. Weekly Options

At the commencement of trading in a weekly option, the Exchange shall list put and call options at the 0.0025 GBP per EUR regular exercise price that is nearest the previous day's settlement price of the underlying futures contract as well as at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the 0.0050 GBP per EUR regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs within half a regular 0.0025 GBP per EUR exercise price interval of the eighth highest or eighth lowest existing regular exercise price, put and call options at the next higher or next lower 0.0025 and 0.0050 GBP per EUR regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

~~3~~4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices may be added for trading on as soon as possible basis.

301A0~~3~~2. EXERCISE AND ASSIGNMENT

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301A0~~4~~3. [RESERVED]