



Special Executive Report

DATE: June 2, 2020

SER#: 8605

SUBJECT: Initial Listing of the KC HRW Wheat-Wheat Intercommodity Spread Options Contract

Effective Sunday, June 21, 2020 for trade date Monday, June 22, 2020, and pending all relevant CFTC regulatory review periods, The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) will list the KC HRW Wheat-Wheat Intercommodity Spread Options contract (the “Contract”) (CBOT Rulebook Chapter: 14G) for open outcry trading on the CME trading floor¹, trading on the CME Globex electronic trading platform, and for submission for clearing via CME ClearPort, as noted below.

Contract Title	CBOT Rulebook Chapter	Commodity Code
KC HRW Wheat-Wheat Intercommodity Spread Options	14G	KCW

Exhibit 1 summarizes specifications for the Contract. Applicable Exchange fees are shown in Exhibit 2.

Inquiries regarding this matter may be directed to:

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Exhibit 1 -- Contract Specifications

Contract Unit	1 KC HRW Wheat futures contract of 5,000 bushels and one Wheat futures contract of 5,000 bushels
Minimum Price Fluctuation	\$0.00125 (1/8th cents in fractional terms)
Trading and Clearing Hours	CME Globex: Sunday – Friday, 7:00 p.m. – 7:45 a.m. Central Time (CT) and Monday – Friday, 8:30 a.m. – 1:20 p.m. CT CME Globex Pre-Open: Sunday 4:00 p.m. – 7:00 p.m., Monday – Thursday 8:00 a.m. – 8:30 a.m. CT, 2:30 p.m. – 4:00 p.m. CT, and 4:45 p.m. – 7:00 p.m., and Friday 8:00 a.m. – 8:30 a.m. CT and 2:30 p.m. – 4:00 p.m.

¹ CME Group closed its Chicago trading floor as of the close of business Friday, March 13, 2020, as a precaution to reduce large gatherings that can contribute to the spread of coronavirus in line with the advice of medical professionals. Updates can be found at: <https://www.cmegroup.com/company/information.html>

	Open Outcry: Monday – Friday, 8:30 a.m. – 1:15 p.m. CT with Post session until 1:20 p.m. CT immediately following the close CME ClearPort: Sunday – Friday, 5:00 p.m. – 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT
Commodity Code	CME Globex: KCW CME ClearPort: KCW Open Outcry: KCW Clearing: KCW
Listing Schedule	One July and one December listed at all times.
Initial Listed Months	1 KC HRW Wheat Jul: Wheat Jul 1 KC HRW Wheat Dec: Wheat Dec
Termination of Trading	Trading terminates on the last Friday which precedes by at least two business days the last business day of the month prior to the contract month. Trading in expiring options ceases at the close of the regular CME Globex trading session for the corresponding futures contract.
Rulebook Chapter	CBOT 14G
Block Trade Minimum Threshold Level	RTH: 100 ETH/ATH: 50 Reporting Window: 15 minutes
Strike Price Listing Procedures	Strike prices will be listed in increments of five cents per bushel. The minimum strike price range will include the strike price closest to the current KC HRW Wheat-Wheat futures spread price, plus the next ten consecutive higher and the next ten consecutive lower strike prices.
Exercise Style	European-style. The buyer of a KC HRW Wheat-Wheat spread option may exercise the option only upon expiration by giving notice to CME Clearing by 5:30 p.m. CT. Option exercise results in two underlying futures market positions. Options in-the-money on the last day of trading are automatically exercised.
Margin Style	Equity
Underlying Futures Contracts/Commodity Codes	KC HRW Wheat Futures (CME Globex: KE; CME ClearPort: KW; Clearing: KW) Wheat Futures (CME Globex: ZW; CME ClearPort: W; Clearing: W)
Settlement Method	Deliverable
Settlement at Expiration	Option exercise results in positions in the underlying physically delivered Wheat and KC HRW Wheat futures contracts. In-the-money options are automatically exercised into expiring futures.

Exhibit 2 – Exchange Fees

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
Individual Member				
1	Individual Members		Open Outcry	\$0.27

	Member Account Owner	CME Globex	\$0.37	
		EFP	\$1.19	
		EFR	\$1.49	
		Block/Block Spread	\$1.34	
	Individual Delegates	Delegate Trading Own Account	Open Outcry	\$0.54
			CME Globex	\$0.64
			EFP	\$1.49
			EFR	\$1.79
		Block/Block Spread	\$1.64	
Equity Members (Individual Equity members, Clearing Firms and Equity Firms)				
2	Equity Members ¹	Member or Delegate	Open Outcry	\$0.27
			CME Globex	\$0.37
			EFP	\$1.19
			EFR	\$1.49
		Non Member	Block/Block Spread	\$1.34
			Open Outcry	n/a
			CME Globex	\$0.96
			EFP	\$1.19
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non Member	EFR	\$1.49
			Block/Block Spread	\$1.34
			Open Outcry	\$0.24
			CME Globex	\$0.96
		EFP	\$1.19	
		EFR	\$1.49	
		Block/Block Spread	\$1.34	

¹ Clearing Closely Held Corporate Members & Sole Proprietors, Rule 106.J. Equity Closely Held Corporate Members & Rule 106.I. Affiliate Equity Member Firms, Individual Equity Members (other member/delegate executing), Clearing FCMs, Rule 106.J. Equity FCMs, Clearing Corporate Members, Rule 106.J. Equity Corporate Members & Rule 106.I. Affiliate Equity Member Firm (Affiliate of Clearing FCM, Clearing Corporate Member or Rule 106.J Equity FCM or Equity Corporate Member), Rule 106.I. Affiliate Membership Umbrella - Qualified Affiliate - Unlimited Number of Affiliates.

(Execution Not a Factor in Membership Types Below)

Level	Account Owner	Execution Type	Venue/Transaction Type	Exchange Fee
Trading Members (Individual Non-Equity Members and Non-Equity Member Firms)				
3	Individual Non-Equity Members (other member/delegate executing); Rule 106.H. Corporate Trading Firms; Rule 106.H. Trading FCMs; & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non Member	Open Outcry	\$0.46
			CME Globex	\$1.56
			EFP	\$1.41
			EFR	\$2.56
			Block/Block Spread	\$2.56
	Individual Delegates (Other Member or Delegate executing the trade) & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non Member	Open Outcry	\$0.76
			CME Globex	\$1.86
			EFP	\$1.71
			EFR	\$2.86
			Block/Block Spread	\$2.86

	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non Member	Open Outcry	\$0.46
			CME Globex	\$1.56
			EFP	\$1.41
			EFR	\$2.56
			Block/Block Spread	\$2.56

Level	Account Owner	Execution Type	Venue/Transaction Type	Exchange Fee
Electronic Corporate Member Firm				
4	Rule 106.R Electronic Corporate Member Firms (For open outcry and EFP/EFR/Block - Non-Member rates apply)	Member, Delegate or Non Member	CME Globex	\$1.86
Non Members				
5	International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry - Interest Rate products only)	Member, Delegate or Non Member	CME Globex	\$2.06
	Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP),) Participants (For open outcry and EFP/EFP/ Block - Non-Member rates apply)	Member, Delegate or Non Member	CME Globex	\$3.84
	Non Members	N/A	Open Outcry	\$1.36
			CME Globex	\$3.84
			EFP	\$2.31
			EFR	\$4.84
			Block/Block Spread	\$4.84
CMACE Permit Holders				
6	CMACE Permit Holders (For Rough Rice & Mini-sized Ag products only; all other products - Non-Member rates apply)	Member, Delegate or Non Member	Open Outcry	n/a
			CME Globex	n/a
			EFP	n/a
			EFR	n/a
			Block/Block Spread	n/a

Processing Fees	Fee
Exchange Fees for Non Trades (Member/Delegate/Non-Member)	\$0.10/\$0.25/\$0.55
Exchange Fees for Non-Trades - Expired Options	\$0.10
Facilitation Fee	\$0.40
Give-up Surcharge	\$0.06
Brokerage Fees – with discretion 106F within/106D or 106F outside	\$0.00/\$0.15
Brokerage Fees – without discretion	\$0.04/\$0.17

Member or 106F within/106D, 106F outside or CMACE Permit Holder	
Position Adjustment/Position Transfer	\$0.10