CME Group

Special Executive Report

S-8615 **July 7, 2020**

Addition of Cleared OTC Non-Deliverable Forward FX Products to the List of Eligible Swaps for Commingling for Portfolio Margining

On July 7, 2020, Chicago Mercantile Exchange Inc, ("CME" or "Exchange") added Cleared OTC Non-Deliverable Forward FX Products (the "Contracts) to the List of Eligible Swaps for Commingling for Portfolio Margining (portfolio margining FX futures and swaps in a cleared swaps customer account) pursuant to CME, CBOT, NYMEX/COMEX Rule 831. ("Commingling of Eligible Base Futures and Swaps Positions") for submission of clearing only via CME ClearPort. Although the Contracts will be listed under CME Rule 831., enabling the commingling of FX futures and swaps is subject to further consideration and will not be operationally enabled at this time.

Exhibit 1 includes the current list of Cleared OTC NDF FX products (CME Rulebook Chapter 601). Exhibit 2 includes amendments to Rule 831.

Exhibit 1:

CME Rulebook
Chapter 601
("Cleared OTC Non-Deliverable Forward FX Contract Terms")

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60102. Contract Terms

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60102.C. Unit of Clearing and Minimum Price Increment

1. In respect of the Currency Pair that is the subject of a given FX Contract, the Unit of Clearing shall be U.S. dollars in increments of 0.01 U.S. dollars.
2. The Minimum Price Increment for any FX Contract shall be a given unit of the corresponding Reference Currency per one (1) U.S. dollar, as set forth in Exhibit 60102.C.1.

Exhibit 60102.C.1.
Currency Pairs and Minimum Price Increments

Currency Pair (Reference Currency per U.S. Dollar)	**Minimum Price Increment** (Units of Reference Currency per one (1) U.S. Dollar)
BRL (Brazilian Real)	0.000001 Brazilian Real
CLP (Chilean Peso)	0.0001 Chilean Peso
CNY (Chinese Renminbi)	0.0001 Chinese Renminbi
COP (Colombian Peso)	0.01 Colombian Peso
IDR (Indonesian Rupiah)	0.01 Indonesian Rupiah
INR (Indian Rupee)	0.0001 Indian Rupee
KRW (Korean Won)	0.0001 Korean Won
PEN (Peruvian Nuevo Sol)	0.000001 Peruvian Nuevo Sol
PHP (Philippine Peso)	0.001 Philippine Peso
RUB (Russian Ruble)	0.000001 Russian Ruble
TWD (Taiwan Dollar)	0.001 Taiwan Dollar

Exhibit 2:

CME, CBOT, NYMEX/COMEX Rulebooks
CHAPTER 8
CLEARING HOUSE AND PERFORMANCE BONDS
(additions underscored; deletions ~~struck through~~)

831. COMMINGLING OF ELIGIBLE BASE FUTURES AND SWAPS POSITIONS

The Clearing House may identify non-swap Base Guaranty Fund Products that may be commingled with positions in swap Base Guaranty Fund Products in order to provide risk offsets for customer positions if and only if the price risks with respect to such products are significantly and reliably correlated (such products, "Base Eligible Products"). The price risks of different positions will only be considered to be significantly and reliably correlated if there is a theoretical basis for the correlation in addition to an exhibited statistical correlation. Upon such identification, Base Clearing Members may elect that a customer's positions in Base Eligible Products be commingled in a cleared swaps account. If the Clearing House determines at any time that any Base Eligible Products are non-risk reducing when commingled, the Clearing House may either restrict the commingling of additional Base Eligible Product positions or require moving or liquidating such positions.

List of eligible ~~products~~ swaps:
View table here (XLS)

Category	Contract Title	Rulebook Chapter	Commodity Code
Grain and Oilseed	USD Malaysian Palm Oil Calendar Swaps	CME 204A	CPC
Grain and Oilseed	USD Malaysian Palm Olein Calendar Swaps	CME 204B	OPS
Commodity Index	Bloomberg CI Index 2 Month Forward Swaps	CBOT 29B	DG2
Commodity Index	Bloomberg CI Index 3 Month Forward Swaps	CBOT 29C	DG3
Commodity Index	Cleared OTC Bloomberg Commodity Index (CI) Swaps	CBOT 29A	DGS
Commodity Index	S&P Goldman Sachs Commodity Index (GSCI) Enhanced ER Swaps	CME 415B	RRE
Commodity Index	S&P-GSCI ER Index 2 Month Forwards Swaps	CME 415E	SE2
Commodity Index	S&P-GSCI ER Index 3 Month Forwards Swaps	CME 415F	SE3
Commodity Index	S&P-GSCI Excess Return Index Swaps	CME 415A	SES
Fertilizer	DAP FOB Tampa Swaps	CBOT 47	DFT
Fertilizer	Diammonium Phosphate (DAP) FOB NOLA Swaps	CBOT 48	DFL
Fertilizer	Urea (Granular) FOB US Gulf Swaps	CBOT 45	UFN
Fertilizer	Urea Ammonium Nitrate (UAN) FOB New Orleans, Louisiana (NOLA) Swaps	CBOT 46	UFU
Fertilizer	Urea FOB Egypt Swaps	CBOT 50	UFG
Fertilizer	Urea FOB Yuzhny Swaps	CBOT 49	UFZ
Precious Metals	Cleared OTC London Gold Forward (cash margin)	COMEX 1081	GBC
Precious Metals	Cleared OTC London Gold Forward (collateral margin)	COMEX 334	GB
Precious Metals	Cleared OTC London Silver Forward (cash margin)	COMEX 1083	LSF
FX	Cleared OTC Non-Deliverable Forward FX Products*	CME 600 and 601	
*Subject to operational enablement			

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