CME Group

Special Executive Report

DATE: **September 8, 2020**

SER#: **8647R**

SUBJECT: **Addition of the CME Globex Electronic Trading Venue for all Options on Weather Futures Contracts and Related Administrative Amendments to Certain Product Chapters**

(SER 8647R supersedes SER 8647 dated September 2, 2020 and is being issued to correct the US Seasonal Strips Weather Cooling Degree Day (CDD) Options product name and product seasonal strip commodity codes as noted in Exhibit 1 below in blackline format. No other amendments have been made to the original SER.)

Effective Sunday, September 20, 2020, for trade date Monday, September 21, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will permanently list *all* options on weather futures contracts (the "Contracts") for trading on the CME Globex electronic trading platform ("CME Globex").

Also at this time, the Exchange will implement related administrative amendments to the Exercise Price rules of certain product rulebook chapters noted in Exhibit 2 below to clarify that eligible put and call options of the Contracts are listed dynamically.

CME Globex: Sunday - Friday 5:00 p.m. - 3:15 p.m. Central Time/CT
(daily trading halts between 3:15 p.m. - 5:00 p.m. CT)

CME ClearPort: Sunday 5:00 p.m. - Friday 5:45 p.m. CT
(no reporting Monday – Thursday 5:45 p.m. – 6:00 p.m. CT)

Exhibit 1 – List of the Contracts
Exhibit 2 – Exchange fees
Exhibit 3 – Amendments to CME Rulebook Chapters 403A, 405A, 407A, 411A and 412A (blackline format)

Inquires regarding the aforementioned may be directed to:

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Exhibit 1 – CME Options on Weather Futures Contracts on CME Globex:

Product Profile			
Product Name(s)	**Product City Code**	**Product Seasonal Strip Code(s)**	**Rulebook Chapter(s)**
US Monthly Weather Heating Degree Day (HDD) Options Contract US Seasonal Strips Weather Heating Degree Day (HDD) Options Contract	Atlanta = H1 Chicago = H2 Cincinnati = H3 New York= H4 Dallas = H5 Las Vegas = H0 Minneapolis = HQ Sacramento = HS Portland = H7	Atlanta = H1X, H1Z Chicago = H2X, H2Z Cincinnati = H3X, H3Z New York = H4X, H4Z Dallas = H5X, H5Z Las Vegas = H0X, H0Z Minneapolis = HQX, HQZ Sacramento = HSX, HSZ Portland= H7X, H7Z	403A, 405A
US Monthly Weather Cooling Degree Day (CDD) Options Contract US Seasonal Strips Weather ~~Heating~~ Cooling Degree Day (CDD) Options Contract	Atlanta = K1 Chicago = K2 Cincinnati = K3 New York= K4 Dallas = K5 Las Vegas = K0 Minneapolis = KQ Sacramento = KS Portland = K7	Atlanta = K1K~~X~~, K1N~~Z~~ Chicago = K2K~~X~~, K2N~~Z~~ Cincinnati = K3K~~X~~, K3N~~Z~~ New York = K4K~~X~~, K4N~~Z~~ Dallas = K5K~~X~~, K5N~~Z~~ Las Vegas = K0K~~X~~, K0N~~Z~~ Minneapolis = KQK~~X~~, KQN~~Z~~ Sacramento = KSK~~X~~, KSN~~Z~~ Portland= K7K~~X~~, K7N~~Z~~	403A, 405A
European Monthly Weather Heating Degree Day (HDD) Options Contract	London = D0 Amsterdam = D2	London = D0X, D0Z Amsterdam = D2X, D2Z	406A, 407A

European Seasonal Strips Weather Heating Degree Day (HDD) Options Contract			
European Monthly Weather Cumulative Average Temperature (CAT) Options Contract European Seasonal Strip Weather Cumulative Average Temperature (CAT) Options Contract	London = G0 Amsterdam = G2	London = G0K, G0N Amsterdam = G2K, G2N	408A, 409A
Pacific Rim Monthly Cumulative Average Temperature (CAT) Options Contract Pacific Rim Seasonal Strip Cumulative Average Temperature (CAT) Options Contract	Tokyo = G6	Tokyo = G6X, G6Z, G6K, G6N	411A, 412A

Exhibit 2 - Exchange Fees

Fees are charged per side (both buy and sell side) per contract	Venue/Transaction Type	Weather
		Futures & Options
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	$0.15
	EFP|EFR|Block	$0.46
	Exercise|Assign|Future From	$0.07

<table>
<tr><td rowspan="3">Rule 106.D Lessees
Rule 106.F Employees</td><td>CME Globex</td><td>$0.20</td></tr>
<tr><td>EFP|EFR|Block</td><td>$0.51</td></tr>
<tr><td>Exercise|Assign|Future From</td><td>$0.12</td></tr>
<tr><td>Rule 106.R Electronic Corporate Member
(For other than CME Globex - See Non-Members)</td><td>CME Globex</td><td>$0.44</td></tr>
<tr><td rowspan="3">Rule 106.H and 106.N Firms
Clearing Non-Equity Member Firms</td><td>CME Globex</td><td>$0.25</td></tr>
<tr><td>EFP|EFR|Block</td><td>$0.56</td></tr>
<tr><td>Exercise|Assign|Future From</td><td>$0.17</td></tr>
<tr><td>International Incentive Program (IIP) Participants
International Volume Incentive Program (IVIP) Participants
(For other than CME Globex - See Non-Members)</td><td>CME Globex</td><td>$0.26</td></tr>
<tr><td>Members Trading Outside of Division
(For other than CME Globex During ETH - See Non-Members)</td><td>CME Globex - During ETH Only</td><td>$0.29</td></tr>
<tr><td rowspan="4">Non-Members
(Including: Central Bank Incentive Program (CBIP) Participants, Emerging Markets Bank Incentive Program (EMBIP) Participants, Latin American Fund Manager Incentive Program (FMIP) Participants, CTA/Hedge Fund Incentive Program Participants & CBOE Members)</td><td>CME Globex</td><td>$0.54</td></tr>
<tr><td>EFP</td><td rowspan="2">$0.60</td></tr>
<tr><td>EFR|Block</td></tr>
<tr><td>Exercise|Assign|Future From</td><td>$0.21</td></tr>
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Exhibit 3 – CME Rulebook

CME Rulebook

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

CME Chapter 403A
Options on CME Degree Days Index Futures

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403A01. OPTIONS CHARACTERISTICS

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403A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Degree Days Index futures contract. Eligible exercise prices shall also be at intervals of 1 index point (e.g., 710, 711, 712, etc.). At the commencement of option trading in a contract month, the eligible put and call options are dynamically listed at intervals of 1 index point in a range of 0 to 1500 index points for CDD months and a range of 0 to 3200 index points for HDD months ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 405A
Options on CME Seasonal Strip Degree Days Index Futures

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405A01. OPTIONS CHARACTERISTICS

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40501.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Seasonal Strip Degree Days Index futures contract. Eligible exercise prices shall be at intervals of 1 CME Seasonal Strip Degree Days Index point (e.g., 4510, 4511, 4512, etc.). At the commencement of options trading in a contract month, the eligible put and call options are dynamically listed at intervals of 1 index point in a range of 0 to 7500 index points for the CDD season and a range of 0 to 16,000 index points for the HDD season ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 406A
Options on CME European HDD Index Futures

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406A01. OPTIONS CHARACTERISTICS

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406A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European HDD Index futures contract. Eligible exercise prices shall also be at intervals of 1 index point (e.g., 710, 711, 712, etc.). At the commencement of option trading in a contract month, the eligible put and call options are dynamically listed at intervals of 1 index point in a range of 0 to 1700 index points for HDD months ~~upon demand evidenced in the options pit~~. 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

[Remainder of Rule unchanged.]

Chapter 407A
Options on CME European Seasonal Strip HDD Index Futures

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407A01. OPTIONS CHARACTERISTICS

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407A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European Seasonal Strip HDD Index futures contract. Eligible exercise prices shall be at intervals of 1 CME Seasonal Degree Days Index point (e.g., 4510, 4511, 4512, etc.). At the commencement of options trading in a contract month, the eligible put and call options are dynamically listed at intervals of 1 index point in a range of 0 to 8500 index points for a seasonal Strip HDD ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 408A
Options on CME European CAT Index Futures

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408A01. OPTIONS CHARACTERISTICS

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408A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European CAT Index futures contract. Eligible exercise prices shall also be at intervals of 1 index point (e.g., 710, 711, 712, etc.). At the commencement of option trading in a contract month, the eligible put and call options are dynamically listed at intervals of 1 index point in a range of 0 to 1300 index points for CAT months ~~upon demand~~

~~evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 409A
Options on CME European Seasonal Strip CAT Index Futures

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409A01. OPTIONS CHARACTERISTICS

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409A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European Seasonal Strip CAT Index futures contract. Eligible exercise prices shall be at intervals of 1 CME Seasonal Degree Days Index point (e.g., 4510, 4511, 4512, etc.). At the commencement of options trading in a contract month, the eligible put and call options are <u>dynamically listed</u> at intervals of 1 index point in a range of 0 to 6500 index points for a seasonal Strip CAT ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 411A
Options on CME Pacific Rim CAT Index Futures

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411A01. OPTIONS CHARACTERISTICS

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411A01.D. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Pacific Rim CAT Index futures contract. In addition, exercise prices shall also be at intervals of .01 index points (e.g., 25.10, 25.11, 25.12, etc.). At the commencement of option trading in a contract month, the Exchange shall <u>dynamically</u> list put and call options at intervals of .01 index points in a range of 0 to 1500 index points ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]

Chapter 412A
Options on CME Pacific Rim Seasonal CAT Index Futures

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412A01. OPTIONS CHARACTERISTICS

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412A01.D. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Pacific Rim Seasonal CAT Index futures contract. Eligible exercise prices shall be at intervals of .01 CME Pacific Rim Seasonal CAT Index point (e.g., 4510.01, 4510.02, 4510.03, etc.). At the commencement of options trading in a contract month, the Exchange shall dynamically list put and call options at intervals of .01 index points in a range 0 to 8500 index points ~~upon demand evidenced in the options pit~~. 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.

[Remainder of Rule unchanged.]