CME Group

Special Executive Report

DATE: **November 10, 2020**

SER#: **8664R**

SUBJECT: **REMINDER: Amendments to the Termination of Trading and the Exercise and Assignment Rules of the Monthly and Weekly Options on the Mexican Peso/U.S. Dollar (MXN/USD) Futures Contract and Currency Fixing Time of the Related Futures Contract**

Effective Sunday, November 15, 2020 for trade date Monday, November 16, 2020, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend the termination of trading time of the Monthly and Weekly Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures contract (the "Contracts") from 9:00 a.m. Central Time (CT) to 11:30 a.m. CT as in the table below as well as amend the CME Currency Fixing Price time for MXN/USD Futures from 9:00 a.m. CT to 11:30 a.m. CT and commencing with the December 2020 contract month and the December Week 2 contracts and beyond.

This amendment aligns the termination of the Contracts' termination of trading time to the over-the-counter (OTC) MXN/USD option time which is 11:30 a.m. CT.

Contract	Commodity Code	Current Rule	Amended Rule
MXN/USD Monthly Options	MP	9:00 a.m. Central Time	11:30 a.m. Central Time
MXN/USD Weekly Options	M1-5		
MXN/USD Futures Fixing	ZYM	Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price. Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60- second interval. Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.	Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 11:29:00 to 11:29:59 a.m. on the day of determination of the CME currency fixing price. Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval. Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The Exchange currently lists the Contracts for trading on the CME trading floor[1] and the CME Globex electronic trading platform and for submission for clearing only on CME ClearPort.

[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:

Exhibit 1 provides amendments to CME Rulebook Chapter 256A Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures in blackline format.

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https://www.cmegroup.com/company/information.html

Exhibit 1
CME Rulebook
(additions underscored; deletions ~~overtruck~~)

Chapter 256A
Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures

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256A01. OPTIONS CHARACTERISTICS

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256A01.I. Termination of Trading and Expiration Days for Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")
Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at ~~9:00~~ 11:30 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")
Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at ~~9:00~~ 11:30 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Friday Options
Trading in weekly Friday options shall terminate at ~~9:00~~ 11:30 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

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256A02. EXERCISE AND ASSIGNMENT

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256A02.A.1. Exercise of Options
All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from ~~8:59:00 to 8:59:59~~ 11:29:00 to 11:29:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

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