



Special Executive Report

DATE: May 7, 2021

SER#: 8770

SUBJECT: Initial Resetting of Price Limits for Live Cattle and Feeder Cattle Futures

Effective Monday, May 31, 2021 for trade date Tuesday, June 1, 2021, Chicago Mercantile Exchange Inc. ("CME" of "Exchange") will reset price limits for the Live Cattle and Feeder Cattle futures contracts (the "Contracts"). This represents the initial annual reset that is stipulated by the variable price limits mechanisms pursuant to CME Rulebook Chapters 101 & 102, as linked below.

The new futures price limits effective on trade date June 1, 2021 are shown in the table below and will remain in effect until the first trading day in June 2022.

Contract Title	CME Rulebook Chapter	Clearing Code	CME Globex Code	Current Initial Price Limit	New Initial Price Limit (Effective 6/1/2021)	New Expanded Price Limit (Effective 6/1/2021)
Live Cattle Futures	101	48	LE	\$0.04/lb.	\$0.05/lb.	\$0.075/lb.
Feeder Cattle Futures	102	62	GF	\$0.05/lb.	\$0.0625/lb.	\$0.0925/lb.

With specific regard to the Live Cattle futures contract, please be reminded that during the last two (2) trading days in the expiring contract month, the daily price limit shall be equal to the expanded price limit above or below the previous day's settlement price. Additionally, if an expiring Live Cattle futures contract month settles at its price limit on the day prior to the last trading day, the price limit for that expiring Live Cattle futures contract month on the last trading day shall be two (2) times the expanded price limit.

With specific regard to the Feeder Cattle futures contract, Please be reminded that if at the end of trade on the day prior to last trade day for an expiring contract month, the CME Feeder Cattle Index differs from the settlement price of the expiring Feeder Cattle futures contract month by an increment that exceeds the initial price limit (if under initial price limits), or if the CME Feeder Cattle Index differs from the settlement price of the expiring Feeder Cattle futures contract month by an increment that exceeds the expanded price limit (if under expanded price limits), the price limits on the last trading day for the expiring Feeder Cattle futures contract month shall be two (2) times the expanded price limit.

Spread Limits for the Contracts will be calculated accordingly:

- Calendar Spreads: 2x the initial or expanded limit
- Butterfly Spreads: 4x the initial or expanded limit

- Condor Spreads: 4x the initial or expanded limit
- Inter-Commodity Spreads: 2x the initial or expanded limit of Feeder Cattle

The Exchange recently adopted amendments to Rules 10102.D and 10202.D. (“Daily Price Limits”) of the Contracts to replace the fixed daily price limit regimes with a variable price limit regime (see [SER 8642](#) dated August 20, 2020). Effective on trade date June 1, 2021, the Exchange will further amend Chapters 101 and 102 to delete obsolete references to the fixed daily price limit regime of the Contracts (see [CME Submission No. 20-352](#) dated August 20, 2020).

If you require any additional information, please contact Makenzie Billings at 312-930-1797 or via e-mail at Makenzie.Billings@cmegroup.com OR Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com.