



## Special Executive Report

**DATE:** May 20, 2021

**SER#:** 8776

**SUBJECT:** Various Amendments to the S&P 500 Stock Price Index Futures, E-mini S&P 500 Stock Price Index Futures and Related Options Contracts and Addition of Block Trade Eligibility to Options on E-mini S&P 500 Stock Price Index Futures

Effective Sunday, June 6, 2021 for trade date Monday, June 7, 2021, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will (1) expand the listing schedule of E-mini Standard and Poor’s 500 Stock Price Index Futures contracts and related options contracts for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort; (2) reduce the strike price listing schedule of the Options on E-mini Standard and Poor’s 500 Index Futures contract; (3) permission block trading in all Options on E-mini Standard and Poor’s 500 Stock Price Index Futures contracts; (4) amend certain Exchange fees for Options on E-mini Equity Futures; and (5) effective immediately, cease listings new contract months of the Standard and Poor’s 500 Stock Price Index Futures contract and related options for expiration dates of such contracts beyond trade date Friday, September 17, 2021 (collectively, the “Rule Amendments”).

List of Affected Contracts (the “Contracts”):

<b>Contract Title</b>	<b>CME Rulebook Chapter</b>	<b>CME Globex/ CME ClearPort Code</b>
<b>Standard and Poor's 500 Stock Price Index Futures</b>	351	SP/SP
<b>Options on Standard and Poor's 500 Stock Price Index Futures</b>	351A	SP/SP
<b>Weekly Options on Standard and Poor's 500 Stock Price Index Futures - Week 1 – Week 4 (European-Style)</b>	351A	EV1-4/EV1-4
<b>Options on Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)</b>	351A	EV/EV
<b>E-mini Standard and Poor's 500 Stock Price Index Futures</b>	358	ES/ES
<b>Options on E-mini Standard and Poor's 500 Stock Price Index Futures (Quarterly)</b>	358A	ES/ES

<b>Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1 – Week 4 (European-Style)</b>	358A	EW1-4/EW1-4
<b>Options on E-mini Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)</b>	358A	EW/EW

1. Expand listing schedule for the Options on E-mini Standard and Poor's 500 Stock Price Index Futures contracts (ES) (EW3):

	<b>Current Listing Schedule</b>	<b>Expanded Listing Schedule Effective June 6, 2021</b>
E-mini Standard and Poor's 500 Stock Price Index Futures (ES)	Five (5) consecutive quarterly contracts	Nine (9) consecutive quarterly contracts plus three (3) additional December contracts
Options on E-mini Standard and Poor's 500 Stock Price Index Futures (Quarterly) (ES)	Four (4) consecutive quarterly contracts	Nine (9) consecutive quarterly contracts plus three (3) additional December contracts
Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - <b>Week 3 ONLY (EW3)</b>	Three (3) nearest non-quarterlies months	Nine (9) nearest non-quarterly months

The listing schedules for all other expiration varieties of the Options on E-mini Standard and Poor's 500 Stock Price Index Futures remain unchanged.

2. Reduce strike price listing schedule of Options on E-mini Standard and Poor's 500 Stock Price Index Futures contracts (ES):

The strike price listing schedule of the Options on E-mini Standard and Poor's 500 Stock Price Index Futures contracts will be amended to reduce the listing of new strikes in 10- and 50-point increments for deferred expirations. The 50-point strikes will be added no sooner than 366 day prior to the contract's expiration date. The 10-point intervals will be added no sooner than 186 days prior to the contract's expiration date.

Exhibit 1 below provides a comprehensive table of the strike price listing schedule of the relevant Options on E-mini Standard and Poor's 500 Stock Price Index Futures contracts. Exhibit 2 further below provides the related amendments to CME Chapter 358A ("Options on E-mini Standard and Poor's 500 Stock Price Index Futures") in blackline format.

3. Permission block trading in all Options on E-mini Standard and Poor's 500 Stock Index Futures, with a minimum block threshold of 250 contracts.

For a block trade involving multiple expiries of options, each option leg in the trade would require a minimum threshold of 250 contracts.

4. Amendments to certain Exchange fees for Options on E-mini Equity Futures.

The amendments are set forth in Exhibit 3 below.

5. *Effective immediately*, cessation of certain S&P Futures and Options listings.

Effective immediately, new contract months of S&P futures and options will continue to be listed except in the case of the new contract scheduling to expire after September 17, 2021. As a result, only the following currently listed contract months with expiration date beyond September 17, 2021 will continue to be available for trading and clearing:

Futures	Options
December 2021, March 2022, June 2022, September 2022, December 2022, March 2023, December 2023, December 2024, December 2025.	Quarterly Options:  December 2021, March 2022, June 2022, September 2022, December 2022, March 2023  End-Of-Month Options: September 2021, October 2021  Quarterly PM Options: December 2021, March 2022

Listing of contract months with an expiration date of on or before September 17, 2021 are not affected and will continue to be listed for trading and clearing pursuant to the usual listing schedule.

- Exhibit 1 - Amended Strike Price Listing Schedule
- Exhibit 2 - Amendments to Certain Exchange Fees
- Exhibit 3 - Amendments to CME Chapter 358A (blackline format)

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## Exhibit 1 – Amended Strike Price Listing Schedules

Options Variety	Strike Price Listing Schedule
<b>Quarterly Options</b>	<p style="text-align: center;"><b>(ES)</b></p> <p>100 index point integer multiples, when listed: +30% to -50% of the prior day's settlement price on the underlying future contract</p> <p>50 index point integer multiples, 366 days prior to expiry: +20% to -40% of the prior day's settlement price on the underlying future contract</p> <p>10 index point integer multiples, 186 days prior to expiry: +10% to -25% of the prior day's settlement price on the underlying future contract</p> <p>5 index point integer multiples, 35 days prior to expiry (or 5 Weeks): +5% to -15% of the prior day's settlement price on the underlying future contract</p>
<b>European Style Weekly Options</b>	<p style="text-align: center;"><b>EW3 (Week 3)</b></p> <p>100 index point integer multiples, when listed: +30% to -50% of the prior day's settlement price on the underlying future contract</p> <p>50 index point integer multiples, 366 days prior to expiry: +20% to -40% of the prior day's settlement price on the underlying future contract</p> <p>10 index point integer multiples, 186 days prior to expiry: +10% to -25% of the prior day's settlement price on the underlying future contract</p> <p>5 index point integer multiples, 35 days prior to expiry (or 5 Weeks): +5% to -15% of the prior day's settlement price on the underlying future contract</p> <hr/> <p style="text-align: center;"><b>EW1, EW2 and EW4 (Week 1, 2 &amp; 4)*</b></p> <p>100 index point integer multiples, when listed: +30% to -50% of the prior day's settlement price on the underlying future contract</p> <p>50 index point integer multiples, when listed: +20% to -40% of the prior day's settlement price on the underlying future contract</p> <p>10 index point integer multiples, when listed: +10% to -25% of the prior day's settlement price on the underlying future contract</p> <p>5 index point integer multiples, when listed: +5% to -15% of the prior day's settlement price on the underlying future contract</p>
<b>End-of-Month Options</b>	<p style="text-align: center;"><b>(EW)</b></p> <p>100 index point integer multiples, when listed: +30% to -50% of the prior day's settlement price on the underlying future contract</p> <p>50 index point integer multiples, when listed: +20% to -40% of the prior day's settlement price on the underlying future contract</p> <p>10 index point integer multiples, 186 days prior to expiry: +10% to -25% of the prior day's settlement price on the underlying future contract</p> <p>5 index point integer multiples, 35 days prior to expiry (or 5 Weeks): +5% to -15% of the prior day's settlement price on the underlying future contract</p>

\*unchanged

## Exhibit 2 – Amendments to CME Chapter 358A

### CME Rulebook

#### Chapter 358A

#### Options on E-mini<sup>®</sup> Standard and Poor's 500 Stock Price Index Futures

(additions underscored; deletions [struck through])

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#### 358A01. OPTIONS CHARACTERISTICS

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##### 358A01.E. Exercise Prices

###### 1. Regularly-Listed Exercise Prices

On any Business Day, and subject to Rule 358A01.A., the Exchange shall ensure that all Quarterly (Rule 358A01.D.1), European Style Weekly (Rule 358A01.D.2), European Style Wednesday Weekly (Rule 358A01.D.3), European Style Monday Weekly (Rule 358A01.D.4), and European Style End-of-Month (Rule 358A01.D.5) put and call options that are exercisable into a given Underlying Futures Contract are listed for trading at all eligible exercise prices as follows:

###### 100 Point Exercise Prices

All exercise price levels that are integer multiples of 100 Index points (e.g., 2300, 2400, 2500) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

###### 50 Point Exercise Prices

All exercise price levels that are integer multiples of 50 Index points (e.g., 2400, 2450, 2500) and that lie within a range from 40 percent below to 20 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

###### 10 Point Exercise Prices

~~[As of the Business Day on which such Underlying Futures Contract becomes the futures contract that is second-nearest to delivery in the March quarterly cycle (Rule 358A01.D.1), and on any Business Day thereafter until the expiration of such options, all]~~ All exercise price levels that are integer multiples of 10 Index points (e.g., 2480, 2490, 2500) and that lie within a range from 25 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

###### 5 Point Exercise Prices

~~[As of the Business Day on which such put and call options have 35 or fewer calendar days until expiration, and on any Business Day thereafter until the expiration of such options, all]~~ All exercise price levels that are integer multiples of 5 Index points (e.g., 2490, 2495, 2500) and that lie within a range from 15 percent below to 5 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

###### 2. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 5 Index points.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[Remainder of Rule unchanged.]

**Exhibit 3 – Amendments to Certain Exchange Fees - Options on E-mini Equity Futures**

Exchange fees (per side)	Venue/Transaction Type	Current	New
		Options	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	\$0.35	\$0.35
	EFP EFR BTIC TACO <sup>(1)</sup>	\$1.84	\$1.84
	Block		\$0.36
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.47	\$0.47
	EFP EFR BTIC TACO <sup>(1)</sup>	\$1.96	\$1.96
	Block		\$0.48
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	CME Globex	\$0.45	\$0.45
	EFP EFR BTIC TACO <sup>(1)</sup>	\$2.14	\$2.14
	Block		\$0.46
CBOE Members (For S&P Products Only; N/A For All Other Products - See Non-Members)	CME Globex - Outrights	\$0.50	\$0.50
	CME Globex - Spreads		
	EFP EFR BTIC TACO <sup>(1)</sup>	\$2.10	\$2.09
	Block		\$0.51
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants and Emerging Markets Bank Incentive Program (EMBIP) Participants)	CME Globex - Outrights	\$0.55	\$0.55
	CME Globex - Spreads		
	EFP EFR BTIC TACO <sup>(1)</sup>	\$2.15	\$2.14
	Block		\$0.60

(1) For e-Mini Options, the transaction type receiving this rate is the Exchange of Options for Options (EEO) transaction type.

CME Equity Product Notes
Effective through April 30, 2022, the exchange fees for Block transactions in E-mini S&P 500 Options will be discounted to \$0.20 for members and to \$0.36 for non-members.