



Special Executive Report

DATE: August 10, 2021

SER#: 8834

SUBJECT: Resetting of Price Limits for Lean Hog Futures and Initial Resetting of Price Limits for Pork Cutout Futures

Effective Tuesday, August 31, 2021 for trade date Wednesday, September 1, 2021, Chicago Mercantile Exchange Inc. (“CME”) will reset price limits for Lean Hog futures and initially reset price limits for Pork Cutout futures. This is the annual reset that is stipulated by the variable price limits mechanism pursuant to CME Rulebook Chapters 152 and 156, respectively, as linked below.

The new futures price limits effective on trade date September 1, 2021 are shown in the table below and will remain in effect until the first trading day in September 2022. There shall be no price limits on the current month contract during the last two trading days for Lean Hog futures and during the last five trading days for Pork Cutout futures.

Contract Title	CME Rulebook Chapter	Clearing Code	CME Globex Code	Current Initial Price Limit	New Initial Price Limit (Effective 9/1/2021)	New Expanded Price Limit (Effective 9/1/2021)
Lean Hog Futures	152	LN	HE	\$0.03/lb.	\$0.0475/lb.	\$0.07/lb.
Pork Cutout Futures	156	PRK	PRK	\$0.045/lb.	\$0.0575/lb.	\$0.085/lb.

Spread Limits 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: Sum of both legs

The Exchange recently adopted amendments to Rule 15202.D. (“Daily Price Limits”) of the Lean Hog futures contract to replace the fixed daily price limit regimes with a variable price limit regime (see SER 8540 dated February 27, 2020). Effective on trade date September 1, 2021, the Exchange will further amend Chapter 156 to delete obsolete references to the fixed daily price limit regime of the Contracts (see CME Submission No. 20-339 dated October 7, 2020).

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