



Special Executive Report

DATE: August 17, 2021

SER#: 8841

SUBJECT: Reduction of the Minimum Price Increment of the Euro/U.S. Dollar (“EUR/USD”) Contracts on Spot FX Transactions (“FX Link”)

Effective Sunday, September 19, 2021, for trade date Monday, September 20, 2021, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will reduce the minimum price increment for the Euro/U.S. Dollar Spot FX and the Euro/U.S. Dollar Spot FX Basis Spread (the “Contracts”) on FX Link.

Specifically, CME is amending Appendix (“Spot FX Transactions Specifications”) of CME Chapter 13 (“Spot FX Transactions”) by reducing the minimum price increment from 1/10th of a tick (0.000001) to 1/20th of a tick (0.000005).

Also, at this time, CME will implement related amendments to the CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table (the “Table”) to modify the number of price increments for the Contracts in an effort to accommodate the aforementioned reduction in the minimum price increment (collectively, the “Rule Amendments”).

The Rule Amendments are provided below in Attachments 1 and 2, respectively, in blackline format.

The Commodity Futures Trading Commission (“CFTC”) will be notified of the aforementioned during the week of September 27, 2021, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

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Attachment 1

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

CME Rulebook

CME Chapter 13 ("Spot FX Transactions")

Appendix Spot FX Transaction Specifications

Currency Pairing	Value Date	Minimum Price Increment *	Spot Notional Per One Futures Contract
AUD/USD	T+2	0.00001 (0.1 pip) USD/AUD	100,000 AUD
EUR/USD	T+2	0.00001 (0.1 pip) <u>0.000005 (0.05 pip)</u> USD/EUR	125,000 EUR
GBP/USD	T+2	0.00001 (0.1 pip) USD/GBP	62,500 GBP
NZD/USD	T+2	0.00001 (0.1 pip) USD/NZD	100,000 NZD
USD/CAD	T+1	0.000001 (0.01 pip) USD/CAD	100,000 CAD **
USD/CHF	T+2	0.000001 (0.01 pip) USD/CHF	125,000 CHF **
USD/JPY	T+2	0.0001 (0.01 pip) USD/JPY	12,500,000 JPY **
USD/MXN	T+2	0.00001 (0.1 pip) USD/MXN	500,000 MXN **

NOTES

AUD = Australian dollar

CAD = Canadian dollar

CHF = Swiss franc

EUR = Euro

GBP = British pound

JPY = Japanese yen

MXN = Mexican peso

NZD = New Zealand dollar

USD = U.S. dollar

*The minimum price increment (MPI) of a Spot FX Transaction is separate and distinct from and is not necessarily a reflection of the MPI of a Spot FX Basis Trade, which the Exchange shall determine.

** The spot notional per one futures contract for the USD/CAD, USD/CHF, USD/JPY, and USD/MXN currency pairings shall be defined in terms of the quote, or term, currency of each pairing rather than the base currency since the CME pricing and notional convention for related FX Futures contracts is inverted from the over-the-counter (OTC) convention. For example, the spot notional per one futures contract for USD/CAD, USD/CHF, USD/JPY, and USD/MXN shall be defined in terms of the quote currency Canadian dollar, Swiss franc, Japanese yen, and Mexican peso, respectively, and not in terms of the base currency U.S. dollar.

Attachment 2
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)

CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

(Additions underlined; deletions ~~struck through~~.)

Instrument	Globex Symbol	Outrights		Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR:Minimum Ticks	NRR: Globex Format
EUR/USD Spot FX Basis Spread	EURUSD	0.00100- <u>0.001000</u>	0.00001- <u>0.000005</u>	100 <u>200</u>	N/A