



Special Executive Report

DATE: August 25, 2022
SER#: 8968R
SUBJECT: Initial Listing of Event Contracts on Certain CME Group Futures Contracts

(SER 8968R supersedes [SER 8968](#) dated March 30, 2022, which provided preliminary information on the upcoming listing of Event Contracts on certain CME Group futures on equity, foreign exchange, energy and metals contracts.)

Effective Sunday, September 18, 2022, for trade date Monday, September 19, 2022, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively the "Exchanges") will list Event Contracts ("Event Contracts") on certain CME Group futures contracts as listed in Table 1. for trading on the CME Globex electronic trading platform ("CME Globex").

Event Contracts are daily-expiring, cash settled, European style options on futures contracts, offering short-term trading opportunities for persons seeking to take a position on daily price moves on futures using smaller-value contracts.

Each Event Contract is valued at \$20 and has a fixed payout. In contrast to a traditional option on a futures contract, the Event Contracts settle in reference to the daily settlement prices of futures contracts listed on CME Group Exchanges. Event Contracts do not exercise into underlying futures positions nor exercise into delivery of a physical commodity. If an Event Contract expires "in the money" in reference to the underlying futures settlement price, the short position holder pays, and the long position holder receives, a payment of \$20. Event Contracts are subject to premium style margining, which means that a person establishing a long position in an Event Contract will pay the full premium amount for each contract. Thus, the maximum risk on a long position in an Event Contract will be the amount of money the market participant pays as the premium for that option. Due to the fixed payout feature, the maximum per contract risk for a short position is \$20 minus the premium received for selling the option.

Depending on the front-end system used to submit orders, the opportunity to trade an Event Contract may be expressed to a market participant as a "yes/no" choice. In that case, the 'Yes' contract shall mean: will the daily settlement price for the specified futures contract be above X, and the 'No' contract shall mean: will the daily settlement price for the specified futures contract be at or below X. When presented in this fashion, executing a 'Yes' trade constitutes purchasing a fixed payout call option on the futures contract daily settlement price, and executing a 'No' trade constitutes purchasing a fixed payout put option on the futures contract daily settlement price.

CME Group reminds all market participants that they are required to abide by applicable local regulations with respect to trading in Event Contracts. Market participants that trade or wish to trade Event Contracts, and brokers that seek to sell or distribute such products, must therefore comply with any applicable restrictions or prohibitions imposed by such market participant's home jurisdiction, including where applicable, and without limitation, the prohibitions on marketing, offering or distribution of such products to retail customers in the United Kingdom and the European Union.

Table 1.

	Contract Title/Rulebook Chapter/Commodity Code	Underlying Futures Contract/Rulebook Chapter/Commodity Code
CME Equity	Event Contracts on E-mini Standard and Poor's 500 Stock Price Index Futures CME 23 / ECES	E-mini Standard and Poor's 500 Stock Price Index Futures CME 358 / ES
	Event Contracts on E-mini Nasdaq-100 Index Futures CME 23 / ECNQ	E-mini Nasdaq-100 Index Futures CME 359 / NQ
	Event Contracts on E-mini Russell 2000 Index Futures CME 23 / ECRTY	E-mini Russell 2000 Index Futures CME 393 / RTY
CBOT Equity	Event Contracts on E-mini Dow Jones Industrial Average Index Futures CBOT 23 / ECYM	E-mini Dow Jones Industrial Average Index Futures CBOT 27 / YM
CME FX	Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures CME 23 / EC6E	Euro/U.S. Dollar (EUR/USD) Futures CME 261 / 6E
COMEX Metals	Event Contracts on Gold Futures COMEX 23 / ECGC	Gold Futures COMEX 113 / GC
	Event Contracts on Silver Futures COMEX 23 / ECSI	Silver Futures COMEX 112 / SI
	Event Contracts on Copper Futures COMEX 23 / ECHG	Copper Futures COMEX 111 / HG
NYMEX Energy	Event Contracts on Light Sweet Crude Oil Futures NYMEX 23 / ECCL	Light Sweet Crude Oil Futures NYMEX 200 / CL
	Event Contracts on Henry Hub Natural Gas Futures NYMEX 23 / ECNG	Henry Hub Natural Gas Futures NYMEX 220 / NG

Exhibit 1 provides the contract specifications and Exhibit 2 provides the applicable Exchange fees.

Please refer questions to:

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Exhibit 1

Contract Specifications

Contract Title	Event Contracts		
Rulebook Chapter / Commodity Code	Contract Title	Rulebook Chapter	Commodity Code
	Event Contracts on E-mini Standard and Poor's 500 Stock Price Index Futures	CME 23	ECES
	Event Contracts on E-mini Nasdaq-100 Index Futures	CME 23	ECNQ
	Event Contracts on E-mini Russell 2000 Index Futures	CME 23	ECRTY
	Event Contracts on E-mini Dow Jones Industrial Average Index Futures	CBOT 23	ECYM
	Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures	CME 23	EC6E
	Event Contracts on Gold Futures	COMEX 23	ECGC
	Event Contracts on Silver Futures	COMEX 23	ECSI
	Event Contracts on Copper Futures	COMEX 23	ECHG
	Event Contracts on Light Sweet Crude Oil Futures	NYMEX 23	ECCL
	Event Contracts on Henry Hub Natural Gas Futures	NYMEX 23	ECNG
CME Globex Trading Hours	<p>All times are in Central Prevailing Time (CPT)</p> <p>All Contracts: CME Globex Pre Open: Sunday 4:00 – 5:00 p.m. Monday – Thursday 4:45 – 5:00 p.m. ECES; ECNQ; ERTY; ECIYM: Sunday 5:00 p.m.- Friday 3:00 p.m. - Next day's Event Contract will list at 5:00 p.m.</p> <p>EC6E: Sunday 5:00 p.m.- Friday 2:00 p.m. - Next day's Event Contract will list at 5:00 p.m.</p> <p>ECGC: Sunday 5:00 p.m.- Friday 12:30 p.m. - Next day's Event Contract will list at 5:00 p.m.</p> <p>ECSI: Sunday 5:00 p.m.- Friday 12:25 p.m. - Next day's Event Contract will list at 5:00 p.m.</p> <p>ECHG: Sunday 5:00 p.m.- Friday 12:00 p.m. - Next day's Event Contract will list at 5:00 p.m.</p> <p>ECCL; ECNG: Sunday 5:00 p.m.- Friday 1:30 p.m. - Next day's Event Contract will list at 5:00 p.m.</p>		
Contract Size	1 contract = \$20		
Price Quotation	U.S. Dollars		
Listing Schedule	One daily contract listed on the Principal Contract Month of the Underlying Futures		
Settlement Method	Financial		
Minimum Price Fluctuation	0.25 = \$0.25		
Value Per Tick	\$1 x 0.25 = \$0.25		
Strike Price Listing Schedule	<p>ECES: 2 strikes at \$25.00 strike increment above and below the at-the-money strike then 4 strikes at \$50.00 strike increment above and below the highest and lowest \$25.00 increment strike.</p> <p>ECNQ: 1 strike at \$100.00 strike increment above and below the at-the-money strike then 3 strikes at \$250.00 strike increment above and below the highest and lowest \$100.00 increment strike.</p> <p>ECRTY: 1 strike at \$10.00 strike increment above and below the at-the-money strike then 3 strikes at \$25.00 strike increment above and below the highest and lowest \$10.00 increment strike.</p> <p>ECYM: 1 strike at \$250.00 strike increment above and below the at-the-money strike then 3 strikes at \$500.00 strike increment above and below the highest and lowest \$250.00 increment strike.</p> <p>EC6E: 4 strikes at \$0.0025 a strike increment above and below the at-the-money strike then 3 strikes at \$0.0050 strike increment above and below the highest and lowest \$0.0025 increment strike.</p> <p>ECGC: 4 strikes at \$10.00 a strike increment above and below the at-the-money strike then 4 strikes at \$25.00 strike increment above and below the highest and lowest \$10.00 increment strike.</p> <p>ECSI: 4 strikes at \$0.50 a strike increment above and below the at-the-money strike then 4 strikes at \$1.00 strike increment above and below the highest and lowest \$0.50 increment strike.</p> <p>ECHG: 4 strikes at \$0.05 a strike increment above and below the at-the-money strike then 4 strikes at \$0.10 strike increment above and below the highest and lowest \$0.05 increment strike.</p> <p>ECCL: 4 strikes at \$1.00 increments on the nearest \$1.00 interval above and below the at-the-money strike, then 4 strikes in \$2.50 increments on the nearest \$2.50 interval above and below the highest and lowest \$1.00 increment strikes.</p> <p>ECNG: 4 strikes at \$0.10 increments on the nearest \$0.10 interval above and below the at-the-money strike, then 4 strikes in \$0.50 increments on the nearest \$0.50 interval above and below the highest and lowest \$0.10 increment strikes.</p> <p>Additional strikes may be listed for trading, and strikes scheduled to be listed for trading may be suspended at the sole discretion of the Exchange</p>		
Option Style	European		
Exercise Procedure	Exact At-The-Money Characteristics (with no contrary instructions)		
Exact At the Money Characteristics	Exercise puts, calls expire with no value		
Termination of Trading	Daily products: trading will terminate at the end of the daily settlement period of the Underlying Futures contract.		
Final Settlement	\$0 or \$20		

Maximum Order Quantity	250 contracts
Accountability Level	Each Event Contract will have its own Single Month Accountability Level of 12,500 contracts
Block Eligible	No

**Exhibit 2
Exchange Fees***

CME

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	\$0.01
	Cash Settlement**	\$0.10
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.03
	Cash Settlement**	\$0.15
Rule 106.R Electronic Corporate Members	CME Globex	\$0.03
	Cash Settlement**	\$0.15
Rule 106.H and 106.N Firms	CME Globex	\$0.03
	Cash Settlement**	\$0.15
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants CBOE Members CTA/Hedge Fund Incentive Program Participants Members Trading Outside of Division Non-Members	CME Globex	\$0.05
	Cash Settlement**	\$0.20

Processing Fees	Fee
Give-Up Surcharge	\$0.05
Position Adjustment/Position Transfer	\$0.10

CBOT

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
1	Individual Members	Member Account Owner	CME Globex	\$0.01
			Cash Settlement**	\$0.10
	Individual Delegates	Delegate Trading Own Account	CME Globex	\$0.03
			Cash Settlement**	\$0.15
Equity Members (Individual Equity members, Clearing Equity Member Firms and Equity Member Firms)				
2	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing trade) Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Member or Delegate	CME Globex	\$0.01
			Cash Settlement**	\$0.10
		Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.10
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.10
Trading Members (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)				
3	Individual Non-Equity Members (Other Member/Delegate executing trade) Clearing Non-Equity Member Firms Rule 106.H. Member Firms Rule 106.I. Affiliate Trading Member Firms (w/ an owned seat)	Member, Delegate or Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.15
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I. Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.15
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.15
Electronic Corporate Member Firm				
4	Rule 106.R Electronic Corporate Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.03
			Cash Settlement**	\$0.15
Non-Members				
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP) Central Bank Incentive Program (CBIP) Latin American Fund Manager Incentive Program (FMIP) Non-Members	Member, Delegate or Non-Member	CME Globex	\$0.05
			Cash Settlement**	\$0.20
CMACE Permit Holders				
6	CMACE Permit Holders (For Rough Rice & Mini-sized Ag Products Only; All other products - Non-Member rates apply)	Member, Delegate or Non-Member	CME Globex	\$0.05
			Cash Settlement**	\$0.20

Processing Fees	Fee
Give-Up Surcharge	\$0.06
Position Adjustment/Position Transfer	\$0.10

NYMEX/COMEX

	Member	Non-Member
CME Globex	\$0.01	\$0.05
Processing Fees	Member	Non-Member
Cash Settlement**	\$0.10	\$0.20
Give-Up Surcharge	\$0.05	
Position Adjustment/Position Transfer	\$0.10	

*Exchange Fee Waivers:

CME Globex Transaction Fees:

- CBOT transaction fees waived for members, discounted to \$0.01 per side for non-members, through 8/31/2023
- CME and NYMEX transaction fees waived through 8/31/2023
- COMEX transaction fees waived through 2/28/2023

Cash Settlement Fees:

- CBOT, CME, NYMEX Cash Settlement Fees waived through 3/31/2023
- COMEX Cash Settlement Fees waived through 2/28/2023

**Cash Settlement Fees: applies only to long in the money and short out of the money contracts. Settlement precisely at a strike will result in puts being treated in-the-money and calls out-of-the-money