



Special Executive Report

DATE: August 29, 2022

SER#: 9047

SUBJECT: Variable Storage Rate (VSR) Results for Wheat and KC HRW Wheat Premium (Storage) Rates

The Variable Storage Rate (VSR) mechanism in The Board of Trade of the City of Chicago, Inc. ("CBOT"):

- (1) Wheat futures contract (CME Globex Code: ZW; Clearing and CME ClearPort Code: W; Rulebook Chapter: 14); and
- (2) KC HRW Wheat futures contract (CME Globex Code: KE; Clearing and CME ClearPort Code: KW; Rulebook Chapter: 14H)

examines nearby calendar spreads to determine adjustments in maximum contract premium (storage) rates. Below are the results of the September 2022 – December 2022 calendar spread relative to financial full carry during the period of July 19, 2022 through August 26, 2022.

Wheat and Mini-Sized Wheat Futures – (No Change)

The September 2022 – December 2022 Wheat calendar spread averaged **72.43 percent** of financial full carry during the period of July 19, 2022 through August 26, 2022. VSR results that fall between 50- and 80-percent of financial full carry do not trigger any changes in the maximum premium charge. Therefore, the maximum premium charge that a Chicago SRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month).

KC HRW & Mini-Sized KC HRW Wheat Futures – (No Change)

The September 2022 – December 2022 KC HRW Wheat calendar spread averaged **17.35 percent** of financial full carry during the period of July 19, 2022 through August 26, 2022. VSR results that fall below 50 percent of financial full carry normally trigger a reduction in the maximum premium charge. However, regular delivery facility charges for holders of outstanding shipping certificates for KC HRW Wheat are already at the minimum rate. Therefore, the maximum premium charge that a KC HRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month).

The Next Evaluation Period

The next evaluation period for both contracts will measure the December 2022 – March 2023 calendar spread relative to financial full carry during the period of September 19, 2022 to

November 25, 2022 with the next possible adjustment to contract premium charges on December 19, 2022.

Questions may be directed to Fred Seamon in Research and Product Development (312-952-1546 or Fred.Seamon@CMEGroup.com).