



## Special Executive Report

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**DATE:** August 1, 2023

**SER#:** 9232

**SUBJECT:** **Amendments E-mini and Micro E-mini Options on Standard and Poor's 500 Stock Price Index Futures Contracts to Vary the Minimum Price Increment Threshold by Price Level for Trades Executed on CME Globex**

Effective Sunday, October 1, 2023 for trade date Monday, October 2, 2023, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend the minimum price increment behavior of all Options on E-mini and Micro E-mini Standard and Poor's 500 Stock Price Index Futures contracts (the "Contracts") for all trades executed on the CME Globex electronic trading platform ("CME Globex") as noted in Table 1. below.

Specifically, the Exchange will amend Rule 35XA01.C. ("Minimum Fluctuations") to vary the minimum price increment threshold by price level of the Contracts from 5.00 Index points to 10.00 Index points for trading on CME Globex (collectively, the "Rule Amendments"). Trades submitted for clearing via CME ClearPort will remain unchanged and will continue to be 0.05 Index points, regardless of the price level.

**Table 1.**

Contract Title	Rulebook Chapter	Commodity Code	CME ClearPort Minimum Price Increment – All Price Levels (Unchanged)	Current CME Globex Minimum Price Increment Threshold by Price Level	Amended CME Globex Minimum Price Increment Threshold by Price Level
Options on E-mini Standard and Poor's 500 Stock Price Index Futures	358A	ES			
Monday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	358A	E1A-E5A		0.05 Index points with trades at price levels equal to or less than 5.00	0.05 Index points with trades at price levels equal to or less than <b>10.00</b>
Tuesday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	358A	E1B-E5B		0.25 Index points with trades at price levels greater than 5.00	0.25 Index points with trades at price levels greater than <b>10.00</b>
Wednesday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	358A	E1C-E5C			
Thursday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	358A	E1D-E5D			
Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-4 (European-Style)	358A	EW1-EW4			

Options on E-mini Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)	358A	EW		
Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures	353A	MES		
Monday Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures – Week 1-5 (European-Style)	353A	X1A-X5A		
Tuesday Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures – Week 1-5 (European-Style)	353A	X1B-X5B		
Wednesday Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures – Week 1-5 (European-Style)	353A	X1C-X5C		
Thursday Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures – Week 1-5 (European-Style)	353A	X1D-X5D		
Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-4 (European-Style)	353A	EX1-EX4		
Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)	353A	EX		

By way of background, the Exchange amended the minimum price increment for transactions submitted for Clearing via CME ClearPort for all Options on E-mini Standard & Poor's 500 Stock Price Index Futures, Options on E-mini Nasdaq-100 Index Futures, and Options on E-mini Russell 2000 Index Futures Contracts (see [SER-9025](#) dated July 12, 2022).

Amendments to the Chapters 358A and 353A are set forth in Exhibit A below in blackline format.

Please refer questions on this subject to:

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## **Exhibit A**

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

### **Chapter 353A**

#### **Options on Micro E-mini Standard and Poor's 500 Stock Price Index™ Futures**

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##### **353A01. OPTIONS CHARACTERISTICS**

###### **353A01.A. Contract Months, Trading Hours, and Trading Halts**

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month pursuant to Rule 35802.I.

In accordance with Rule 35802.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

###### **353A01.B. Trading Unit**

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one (1) Micro E-mini S&P 500 Index futures contract (Chapter 353).

###### **353A01.C. Minimum Fluctuations**

Option prices shall be quoted in Index points. Each Index point shall represent \$5.00 per option contract.

Subject to Rule 353A01.C.1., the minimum price fluctuation shall be 0.25 Index points (equal to \$1.25 per option contract), for trades executed on CME Globex electronic trading platform, provided that trades at price levels equal to or less than 105.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$0.25 per option contract), and provided that trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

###### **1. Option Spreads and Combinations**

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of 105.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points.

[Remainder of Rule unchanged.]

### **Chapter 358A**

#### **Options on E-mini® Standard and Poor's 500 Stock Price Index Futures**

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##### **358A01. OPTIONS CHARACTERISTICS**

###### **358A01.A. Contract Months, Trading Hours, and Trading Halts**

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month for E-mini S&P 500 Index futures pursuant to Rule 35802.I.

In accordance with Rule 35802.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

###### **358A01.B. Trading Unit**

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one E-mini S&P 500 Index futures contract (Chapter 358).

### **358A01.C. Minimum Fluctuations**

Option prices shall be quoted in Index points. Each Index point shall represent \$50.00 per option contract.

Subject to Rule 358A01.C.1., the minimum price fluctuation shall be 0.25 Index points (equal to \$12.50 per option contract), for trades executed on CME Globex electronic trading platform, provided that trades at price levels equal to or less than 105.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$2.50 per option contract), and provided that trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

#### **1. Option Spreads and Combinations**

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable CME Globex minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of 105.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points. For spread and combination transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

[Remainder of Rule unchanged.]