



## Special Executive Report

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**DATE:** November 27, 2023

**SER#:** 9296

**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 December 2023 – March 2024 calendar spread relative to financial full carry during the period of September 19, 2023 through November 24, 2023.

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

The December 2023 – March 2024 Wheat calendar spread averaged **78.61 percent** of financial full carry during the period of September 19, 2023 through November 24, 2023. VSR results that are between 50- and 80-percent of financial full carry do not trigger any change in the maximum premium charge. Therefore, the maximum premium charge that a Wheat futures regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 26.5/100s of one cent per bushel per day (approximately 8 cents per bushel per month).

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

The December 2023 – March 2024 KC HRW Wheat calendar spread averaged **33.10 percent** of financial full carry during the period of September 19, 2023 through November 24, 2023. 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 futures are already at the minimum rate. Therefore, the maximum premium charge that a KC HRW Wheat futures 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 March 2024 – May 2024 calendar spread relative to financial full carry during the period of December 19, 2023 to February 23, 2024 with the next possible adjustment to contract premium charges on March 19, 2024.

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