CME Group

Special Executive Report

DATE: **February 27, 2024**

SER#: **9336**

SUBJECT: **Availability of Additional Treasury Invoice Swaps and Spreads**

Effective Sunday, March 24, 2024, for a trade date of Monday, March 25, 2024, The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") will avail additional Invoice Swaps pursuant to CBOT Rulebook Chapter 58 ("Treasury Invoice Swaps"), as more specifically noted in Table 1. below.

Table 1.

Additional Treasury Invoice Swaps	Clearing Code
Two-Year Treasury Invoice Swap - Fourth Candidate	TVD
Two-Year Treasury Invoice Swap - Fifth Candidate	TVE
Two-Year Treasury Invoice Swap - Sixth Candidate	TVF
Five-Year Treasury Invoice Swap - Fourth Candidate	FYD
Five-Year Treasury Invoice Swap - Fifth Candidate	FYE
Five-Year Treasury Invoice Swap - Sixth Candidate	FYF

Also at this time for purposes of clarity and consistency, the Exchange will amend the titles of the existing Treasury Invoice Swaps as noted in Table 2, below.

Table 2.

Existing Treasury Invoice Swaps	Amended Existing Treasury Invoice Swaps	Clearing Code
Five-Year Treasury Invoice Swap – ~~Initial~~	Five-Year Treasury Invoice Swap – First Candidate	FYA
Five-Year Treasury Invoice Swap -- ~~Secondary~~	Five-Year Treasury Invoice Swap -- Second Candidate	FYB
Five-Year Treasury Invoice Swap -- ~~Tertiary~~	Five-Year Treasury Invoice Swap -- Third Candidate	FYC
Two-Year Treasury Invoice Swap – ~~Initial~~	Two-Year Treasury Invoice Swap – First Candidate	TVA
Two-Year Treasury Invoice Swap -- ~~Secondary~~	Two-Year Treasury Invoice Swap -- Second Candidate	TVB
Two-Year Treasury Invoice Swap -- ~~Tertiary~~	Two-Year Treasury Invoice Swap -- Third Candidate	TVC

Ultra Ten-Year Treasury Invoice Swap – ~~Initial~~	Ultra Ten-Year Treasury Invoice Swap – First Candidate	TNA
Ultra Ten-Year Treasury Invoice Swap - ~~Quaternary~~	Ultra Ten-Year Treasury Invoice Swap - Fourth Candidate	TND
Ultra Ten-Year Treasury Invoice Swap - ~~Quinary~~	Ultra Ten-Year Treasury Invoice Swap - Fifth Candidate	TNE
Ultra Ten-Year Treasury Invoice Swap - ~~Secondary~~	Ultra Ten-Year Treasury Invoice Swap - Second Candidate	TNB
Ultra Ten-Year Treasury Invoice Swap - ~~Senary~~	Ultra Ten-Year Treasury Invoice Swap - Sixth Candidate	TNF
Ultra Ten-Year Treasury Invoice Swap - ~~Tertiary~~	Ultra Ten-Year Treasury Invoice Swap - Third Candidate	TNC

The Exchange initially listed for trading and clearing 2-Year, 5-Year, 10-Year, Treasury Bond, and the Ultra Bond of the Treasury Invoice Swaps and Swap Spreads on trade date Monday, December 15, 2014 (see CBOT Submission No. 14-455 dated October 27, 2014.)

The Exchange subsequently listed for trading and clearing Ultra 10-Year Treasury Invoice Swaps and Swap Spreads on trade date Monday, June 6, 2016 (see CBOT Submission No. 16-163 dated May 18, 2016).

Upon launch, the Exchange anticipated availing additional Treasury Invoice Swaps and Spreads in the future. Rule 58101.A.4. ("Related Futures Delivery Date") of CBOT Chapter 58 ("Treasury Invoice Swaps") addresses this matter.

Currently, the Exchange only lists Invoice Swap candidates for Last Delivery Date ("LDD"). Due to the current rate environment where the financing rate exceeds the coupon rate on the lower end of the yield curve, there has been more demand for First Delivery Date ("FDD") candidates. The Exchange is listing three FDD candidates. The listing of multiple candidates for both FDD and LDD will allow maximum flexibility in different rate environments.

Similar to the Treasury Invoice Swap contracts that the Exchange currently lists, these additional Treasury Invoice Swap contracts will be listed for trading solely as inter-commodity spreads. Any such inter-commodity spread shall be required to comprise pf a specified SOFR-referenced Treasury Invoice Swap and a specified CBOT Treasury futures contract. The Exchange determines Invoice Swap Candidates by identifying the cheaper-to-deliver ("CTD") Treasury security during a given delivery period.

The Commodity Futures Trading Commission ("CFTC") will be notified of the aforementioned during the week of April 1, 2024, via the Weekly Notification procedures set forth in Part 40 of the CFTC's Regulations.

Inquiries regarding this matter may be directed to:

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