



Special Executive Report

DATE: March 26, 2024

SER#: 9346

SUBJECT: Amendments to Rule 48002.C. (“Price Increments”) of the Euro Short-Term Rate (€STR) Futures Contract

Effective Sunday, April 21, 2024, for trade date Monday, April 22, 2024, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will amend Rule 48002.C. (“Price Increments”) of the Euro Short-Term Rate (€STR) Futures contract (“the Contract”) as noted in Table 1. below (collectively, the “Rule Amendments”).

Table 1.

Contract Title	Commodity Code	Rulebook Chapter	Current Minimum Price Fluctuation	Amended Minimum Price Fluctuation
Euro Short-Term Rate (€STR) Futures	ESR	480	0.00125 Index points, equal to €3.125 per contract for any contract month with one (1) month or less until its termination of trading 0.0025 Index points, equal to €6.25 per contract, for any contract month with four (4) months or less until its termination of trading 0.005 Index points, equal to €12.50 per contract, for all other contract months	0.00125 Index points, equal to €3.125 per contract for any contract month with one (1) month or less until its termination of trading 0.0025 Index points, equal to €6.25 per contract, for <u>all other contract months</u>

Specifically, the Exchange will amend Rule 48002.C. such that the minimum price fluctuation for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort shall be reduced from 0.005 Index points to 0.0025 Index points for any listed contract month with greater than one (1) month remaining until its termination of trading. The minimum price fluctuation for contract months with one (1) month or less until its termination of trading will remain unchanged at 0.00125 Index points.

By way of illustration, effective on trade date Monday, April 22, 2024, the minimum price fluctuation for the February 2024 contract month will remain unchanged at 0.00125 Index points and all other listed contract months will be subject to a minimum price fluctuation of 0.0025 index points.

Rule 48002.C. currently provides that the reduced minimum price fluctuation from 0.005 to 0.0025 Index points applies to all listed contract months with four (4) months or less (but not one (1) month or less) until such month’s termination of trading.

The Rule Amendments are intended to increase market participation in the Contract.

Appendix A below provides the Rule Amendments in blackline format.

Inquiries regarding this matter may be directed to:

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Appendix A

CME Rulebook

(additions underscored; deletions ~~overstruck~~)

Chapter 480 Euro Short-Term Rate (€STR) Futures

48002. TRADING SPECIFICATIONS

48002.C. Price Increments

Contract prices shall be quoted in terms of the IMM Index, 100.0000 minus interest rate per annum correspondent to €STR during the contract delivery month, as specified in Rule 48002.B.

Example: If €STR is 2.0275 percent per annum, it shall be quoted as an IMM Index value of 97.9725.

The minimum price fluctuation shall be 0.0025 ~~0.005~~ Index points, equal to €6.25 ~~€12.50~~ per contract, provided that the minimum price fluctuation shall be 0.0025 ~~0.0025~~ Index points, equal to €6.25 ~~€6.25~~ per contract, for any contract month with four months or less until its termination of trading, where the applicable four-month interval shall be defined so as to begin on the Business Day following the Friday prior to the third ~~Wednesday~~ Wednesday of the fourth month preceding the contract month in which trading in such contract terminates, provided that the minimum price fluctuation shall be 0.00125 ~~0.00125~~ Index points, equal to €3.125 ~~€3.125~~ per contract, for any contract month with one month or less until its termination of trading, where the applicable one month interval shall be defined so as to begin on the Business Day following the Friday prior to the third ~~Wednesday~~ Wednesday of the first month preceding the contract month in which trading in such contract terminates.

[Remainder of Rule unchanged.]