



A CME/Chicago Board of Trade/NYMEX Company

## Special Executive Report

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May 17, 2010

### **REMINDER: VARIABLE STORAGE RATES IN WHEAT**

The Commodity Futures Trading Commission (CFTC) approved the implementation of Variable Storage Rates (VSR) for CBOT Wheat futures contracts effective with the July 2010 contract. Evaluation of the July 2010 – September 2010 spread relative to financial full carry will begin Wednesday, May 19, 2010. CME Group will publish the daily results of VSR spreads relative to financial full carry on their Web Site at:

[www.cmegroup.com/vsr](http://www.cmegroup.com/vsr)

The July – September futures spread will be measured relative to financial full carry beginning May 19, 2010 until June 25, 2010. Should this spread average 80 percent of financial full carry or more during this period, then the daily maximum storage charge on all outstanding wheat shipping certificates will increase 10/100s of one cent per bushel per day from 16.5/100s to 26.5/100s of one cent per bushel on July 18, 2010. Following the July 2010 expiration, the September 2010 – December 2010 futures spread will be measured relative to financial full carry. Should this spread average 80 percent of financial full carry or more during the evaluation period from July 19, 2010 until August 27, 2010, then the daily maximum storage charge on all outstanding wheat shipping certificates will increase 10/100s of one cent per bushel on September 18, 2010. Should this spread average 50 percent of financial full carry or less during this evaluation period, then the daily maximum storage charge on all outstanding wheat shipping certificates will decrease 10/100s of one cent per bushel on September 18, 2010. This process will continue following each contract expiration; the nearby spread will be measured relative to financial full carry with measures of 80 percent or greater triggering increased daily maximum storage charges and measures of 50 percent or below triggering decreased daily maximum storage charges on the 18<sup>th</sup> calendar day following the delivery period. Daily maximum storage charges will not be reduced below 16.5/100s of one cent per bushel.

Detailed information about VSR is available at [www.cmegroup.com/vsr](http://www.cmegroup.com/vsr) and VSR terms and conditions are available in Chapter 14 of the CBOT Rulebook at <http://www.cmegroup.com/rulebook/CBOT/II/14/>.

If you require any additional information, please contact Dave Lehman at 312-930-1875 or via e-mail at [David.Lehman@cmegroup.com](mailto:David.Lehman@cmegroup.com); or Fred Seamon at 312-634-1587 or via e-mail at [Fred.Seamon@cmegroup.com](mailto:Fred.Seamon@cmegroup.com). For media queries, please contact Mary Haffenberg at 312-930-3435 or via e-mail at [Mary.Haffenberg@cmegroup.com](mailto:Mary.Haffenberg@cmegroup.com).