



Special Executive Report

DATE: March 1, 2012

SER#: 6145

SUBJECT: Launch of MGEX-CBOT Wheat Intercommodity Spread Options

MGEX-CBOT Wheat Intercommodity spread options are scheduled to begin trading on Monday, March 26, 2012. These options will be available for trading on the CME Globex electronic trading platform and on the trading floor. These contracts will be listed by and subject to the rules and regulations of the Chicago Board of Trade.

Trading hours on CME Globex will be Sunday through Friday 6:00 p.m. to 7:15 a.m. and 9:30 a.m. to 1:15 p.m. Chicago time. Trading hours on the trading floor will be Monday through Friday 9:30 a.m. to 1:15 p.m. Chicago time.

The product code will be "MCW" on CME Globex and "MCG" on the trading floor. Options will be listed for the MGEX July-CBOT July, MGEX September-CBOT July and the MGEX December-CBOT December spread. Initially, options on the July 2012, September 2012 and December 2012 spreads will be listed.

MGEX-CBOT Wheat Intercommodity spread options are European Style options that will be cash settled at expiration. A long MGEX-CBOT spread is long the MGEX position and short the CBOT position. A short MGEX-CBOT spread is short the MGEX position and long the CBOT position.

Attached are the contract specifications.

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Chapter 14E MGEX-CBOT Wheat Intercommodity Spread Options

14E00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on MGEX-CBOT Wheat Intercommodity spreads. In addition to the rules of this chapter, transactions in MGEX-CBOT Wheat Intercommodity spread options shall be subject to the general rules of the Exchange insofar as applicable.

14E01. OPTIONS CHARACTERISTICS

14E01.A. Contract Months

Trading in MGEX-CBOT Wheat Intercommodity spread options may be scheduled in such months as determined by the Exchange.

14E01.B. Trading Unit

One MGEX-CBOT Wheat Intercommodity spread option reflects one (1) MGEX Wheat futures contract of a specified contract month on the Minneapolis Grain Exchange, Inc. and one (1) opposing CBOT Wheat futures contract of a specified contract month on the Board of Trade of the City of Chicago, Inc.

The MGEX-CBOT Wheat Intercommodity spread is calculated in cents/bushel as:

MGEX Wheat futures price in cents/bu – CBOT Wheat futures price in cents/bu.

14E01.C. Minimum Fluctuations

The premium for MGEX-CBOT Wheat Intercommodity spread options shall be in multiples of one-eighth (1/8) of one cent per bushel, or six dollars and twenty five cents (\$6.250) per contract.

However, a position may be initiated or liquidated in MGEX-CBOT Wheat Intercommodity spread options at premiums ranging from \$1.00 to \$6.00, in \$1.00 increments per option contract.

14E01.D. Trading Hours

The hours for trading of MGEX-CBOT Wheat Intercommodity spread options contracts shall be determined by the Exchange. MGEX-CBOT Wheat Intercommodity spread options shall be opened and closed for all months and strike prices simultaneously.

14E01.E. Exercise Prices

Trading shall be conducted for put and call options with strike prices in integral multiples of five cents per bushel per MGEX-CBOT Wheat Intercommodity spread option. At the commencement of trading for such option contracts, the following strike prices shall be listed: one with a strike price closest to the previous day's MGEX-CBOT Wheat Intercommodity spread settlement price; the next ten consecutive higher and the next ten consecutive lower strike prices closest to the previous day's MGEX-CBOT Wheat Intercommodity spread settlement price. If the previous day's settlement price is midway between two strike prices, the closest price shall be the larger of the two. New strike prices will be added through time to assure ten strikes above and below the at the money strike. When a new strike price is added for an option contract month, the same strike price will be added to all option contract months for which that strike price is not already listed.

All strikes will be listed prior to the opening of trading on the following business day. Upon demand and at the discretion of the Exchange, new out-of-current-range strike prices at regularly defined intervals may be added for trading on as soon as possible basis.

The Exchange may modify the procedures for the introduction of strikes as it deems appropriate in order to respond to market conditions.

14E01.F. Position Limits

For the purposes of this rule, positions in Wheat futures and options, mini-sized Wheat futures, Wheat Calendar Spread options, Wheat-Corn Intercommodity Spread options, and MGEX-CBOT Wheat Intercommodity spread options will be aggregated for the purpose of determining compliance with the contracts' position limit. In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control Wheat futures and options positions in excess of:

1. 12,000 futures-equivalent contracts net long or net short in any single month or in all months combined.

Refer to CBOT Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

14E01.G. Reserved

14E01.H. Reserved

14E01.I. Termination of Trading

Subject to the provisions of rule 14x01.D no trades in MGEX-CBOT Wheat Intercommodity spread options expiring in the current month shall be made after the close of trading of the open outcry trading session on the day identical to the expiration of standard CBOT Wheat options and standard MGEX wheat options. Therefore, expiration will occur on the last Friday which precedes by at least two business days, the last business day of the month preceding the option month. If such Friday is not a business day, the last day of trading shall be the business day prior to such Friday. For example, the July MGEX-CBOT Wheat Intercommodity spread option (July MGEX wheat minus July CBOT wheat) will expire on the last Friday which precedes by at least two business days the last business day of June; the December-December MGEX-CBOT Wheat Intercommodity spread option (December MGEX wheat minus December CBOT wheat) will expire on the last Friday which precedes by at least two business days the last business day of November.

14E01.J. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of the rules and all open and new options contracts shall be subject to such government orders.

14E02. EXERCISE

MGEX-CBOT Wheat Intercommodity spread options will be cash settled on expiration day.

MGEX-CBOT Wheat Intercommodity spread options cannot be exercised at any time during the life of the option.

14E03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701.).

14E04. RESERVED

14E05. OPTION PREMIUM FLUCTUATION LIMITS

Trading is prohibited during any day except for the last day of trading in a MGEX-CBOT Wheat Intercommodity spread option at a premium of more than the sum of the trading limits for the CBOT Wheat futures contract and the MGEX Wheat futures contract, above and below the previous day's settlement premium for that option as determined by the Clearing House.

14E06. PAYMENT OF OPTION PREMIUM

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option.