

## Special Executive Report

S-7266 December 17, 2014

## Increased Daily Price Limits for Feeder Cattle Futures and Expansion Capability of Daily Price Limits for Feeder Cattle Futures and Live Cattle Futures

Earlier today, a Panel of the Chicago Mercantile Exchange Inc. (CME) Business Conduct Committee (Panel) took emergency action pursuant to CME Rule 402.C (Emergency Actions) which will be effective on **Thursday**, **December 18**, **2014**. The emergency action:

- Increases the daily price limit applicable to the CME Feeder Cattle (FC) futures contract (Rulebook Chapter 102) pursuant to Rule 10202.D. (Daily Price Limits) to \$0.045 per pound from \$0.030 per pound; and
- 2. Provides for expanded price limits in FC futures and CME Live Cattle (LC) futures contracts (CME Rulebook Chapter 101) in certain circumstances as set forth below.

With respect to the expanded limits in FC and LC futures, should one or more futures contract months within the first two listed contract months settle at limit, the daily price limits for all contract months will be expanded to \$0.0675 per pound (FC) and \$0.045 per pound (LC) on the next business day. If neither of the first two listed contract months settle at the expanded limit the next business day, daily price limits for all contract months will revert back to \$0.045 per pound (FC) and \$0.030 per pound (LC), respectively.

FC futures have been locked limit for five consecutive days as a result of various markets factors including potential declining demand. The emergency action taken by the Panel is necessary for promoting price discovery in FC and LC futures contracts and their associated products under current market conditions.

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