



Special Executive Report

DATE: December 7, 2021

SER#: 8895

SUBJECT: Expansion of Strike Price Listing of all Options on E-mini Nasdaq-100 Index[®] Futures Contracts and Expansion of the Listing Schedule of the European-Style Weekly Options

Effective Sunday, January 23, 2022 for trade date Monday, January 24, 2022, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will expand the strike price listing schedule of all options on the E-mini Nasdaq-100 Index[®] futures contract listed in the table below (the “Contracts”) and expand the listing schedule of the European-style weekly option contracts (collectively, the “Rule Amendments”) as more specifically described below.

| Contract Title | CME Rulebook Chapter | CME Globex and CME ClearPort Code | Current Strike Price Listing Schedule | Expanded Strike Price Listing Schedule | Amended Listing Schedule |
|--|----------------------|-----------------------------------|---|--|--------------------------|
| Options on E-mini Nasdaq-100 Index Futures | 359A | NQ | 100 index point integer multiples upon listing: +30% to -50% of the prior day's settlement price on the underlying future contract. 10 index point integer multiples for the nearest expiration: +10% to -20% of the prior day's settlement price on the underlying future contract. | 500-point increment: -50% to +30% (when listed) 100-point increment: -40% to +20% (<186 DTE) 50-point increment: -25% to +10% (<96 DTE) 10-point increment: -10% to +5% (<35 DTE) | |
| Options on E-mini Nasdaq-100 Index Futures – End of Month (European-Style) | 359A | QNE | 100 index point integer multiples upon listing: +30% to -50% of the prior day's settlement price on the underlying future contract. 10 index point integer multiples for the nearest three expirations: +10% to -20% of the prior day's settlement price on the | 500-point increment: -50% to +30% (when listed) 100-point increment: -40% to +20% (<186 DTE) 50-point increment: -25% to +10% (<96 DTE) 10-point increment: -10% to +5% (<35 DTE) | |

| | | | | | |
|---|------|---------|--|--|---|
| | | | underlying future contract. | | |
| Weekly Options on E-mini Nasdaq-100 Index Futures – Weeks 1-4 (European-Style) | 359A | QN1-QN4 | Weeks 1, 2 and 4: +10% to -20% of the prior day's settlement price of the underlying future contract in 10 index point increments. Week 3: +30% and -50% of the prior day's settlement price of the underlying future contract in 100 index point increments and +10% and -20% in 10 index point increments. | 500-point increment: -50% to +30% (when listed) 100-point increment: -40% to +20% (<186 DTE) 50-point increment: -25% to +10% (<96 DTE) 10-point increment: -10% to +5% (<35 DTE) | 4 weekly contracts of week 1, week 2 and week 4 and 3 consecutive contracts of week 3 |
| Monday Weekly Options on E-mini Nasdaq-100 Index Futures – Week 1-5 (European-Style) | 359A | Q1A-Q5A | Strikes listed within +10% to -20% of the prior day's settlement price of the underlying future contract in 10 index point increments. | 500-point increment: -50% to +30% (when listed) 100-point increment: -40% to +20% (<186 DTE) 50-point increment: -25% to +10% (<96 DTE) 10-point increment: -10% to +5% (<35 DTE) | |
| Wednesday Weekly Options on E-mini Nasdaq-100 Index Futures – Week 1-5 (European-Style) | 359A | Q1C-Q5C | Strikes listed within +10% to -20% of the prior day's settlement price of the underlying future contract in 10 index point increments. | 500-point increment: -50% to +30% (when listed) 100-point increment: -40% to +20% (<186 DTE) 50-point increment: -25% to +10% (<96 DTE) 10-point increment: -10% to +5% (<35 DTE) | |

Exhibit A provides amendments to Rulebook chapter 359A in blackline format.

Inquiries regarding this matter may be directed to:

| | | |
|--------------|--|-----------------|
| Brian Burke | brian.burke@cmegroup.com | +1 551 284 9867 |
| Anna Ellis | anna.ellis@cmegroup.com | +1 312 783 8764 |
| John Wiesner | john.wiesner@cmegroup.com | +1 312 806 7648 |

Exhibit A

(additions underscored; deletions ~~struckthrough~~)

Chapter 359A

Options on E-mini Nasdaq-100 Index[®] Futures

359A01. OPTIONS CHARACTERISTICS

359A01.E. Exercise Prices

1. Regularly-Listed Exercise Prices

On any Business Day, and subject to Rule 359A01.A., the Exchange shall ensure that all Quarterly (Rule 359A01.D.1), European Style Weekly (Rule 359A01.D.2), European Style Wednesday Weekly (Rule 359A01.D.3), European Style Monday Weekly (Rule 359A01.D.4), and European Style End-of-Month (Rule 359A01.D.5) put and call options that are exercisable into a given Underlying Futures Contract are listed for trading at all eligible exercise prices as follows:

500 Point Exercise Prices

All exercise price levels that are integer multiples of 500 Index points (e.g., 16000, 16500, 17000) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

100 Point Exercise Prices

All exercise price levels that are integer multiples of 100 Index points (e.g., 15900, 16000, 16100) and that lie within a range from 40 percent below to 20 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

50 Point Exercise Prices

All exercise price levels that are integer multiples of 50 Index points (e.g., 15950, 16000, 16050) and that lie within a range from 25 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

10 Point Exercise Prices

All exercise price levels that are integer multiples of 10 Index points (e.g., 15990, 16000, 16010) and that lie within a range from 10 percent below to 5 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

2. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 10 Index points.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

1. Quarterly Options

On any given Business Day, options that are American Style Quarterly Options (Rules 359A01.D.1), and that are exercisable into a given Underlying Futures Contract, shall be listed for trading at all eligible exercise prices, as follows:

400 Point Exercise Prices

The Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 100 Index points (e.g., 6800, 6900, 7000) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

40 Point Exercise Prices

As of the day on which an Underlying Futures Contract for a given delivery month becomes the futures contract that is nearest to delivery in the March quarterly cycle (Rule 359A01.D.1.), the Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g. 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

2.—European Style Weekly Options

A. On any given Business Day, options that are European Style Weekly options (Rules 359A01.D.2), and that are scheduled to expire on the Third Friday of a specified month, and that are exercisable into a given Underlying Futures Contract, shall be listed for trading at all eligible exercise prices, as follows:

100 Point Exercise Prices

The Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 100 Index points (e.g., 6800, 6900, 7000) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

40 Point Exercise Prices

As of the day on which an Underlying Futures Contract for a given delivery month becomes the futures contract that is nearest to delivery in the March quarterly cycle (Rule 359A01.D.1.), the Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g. 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

B. On any given Business Day, options that are European Style Weekly options (Rules 359A01.D.2), and that are not scheduled to expire on the Third Friday of a specified month, and that are exercisable into a given Underlying Futures Contract, shall be listed for trading at all eligible exercise prices, as follows:

40 Point Exercise Prices

The Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g. 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

3.—European Style Wednesday Weekly Options

On any given Business Day, options that are European Style Wednesday Weekly Options (Rules 359A01.D.3) and that are exercisable into a given Underlying Futures Contract shall be listed for trading at all eligible exercise prices, as follows:

40 Point Exercise Prices

The Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g. 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

4.—European Style Monday Weekly Options

On any given Business Day, options that are European Style Monday Weekly Options (Rules 359A01.D.4) and that are exercisable into a given Underlying Futures Contract shall be listed for trading at all eligible exercise prices, as follows:

40 Point Exercise Prices

~~The Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g., 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.~~

5. European Style End-of-Month Options

~~On any given Business Day, options that are European Style End-of-Month Options (Rules 359A01.D.5) and that are exercisable into a given Underlying Futures Contract shall be listed for trading at all eligible exercise prices, as follows:~~

~~100 Point Exercise Prices~~

~~The Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 100 Index points (e.g., 6800, 6900, 7000) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.~~

~~10 Point Exercise Prices~~

~~As of the day on which an Underlying Futures Contract for a given delivery month becomes the futures contract that is nearest to delivery in the March quarterly cycle (Rule 359A01.D.1.), the Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g., 6960, 6970, 6980) and that lie within a range from 20 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.~~

~~New options may be listed for trading on any Business Day up to and including the termination of trading in such options.~~

~~User Defined Instrument (UDI) functionality allows users to dynamically create options strikes that coexist with exchange-listed options strikes and allow the scope of tradeable instruments on CME Globex expand without listing a larger group of options instruments.~~

~~User Defined Instruments are allowed at any integer multiple of 10 points for any expiry that is already listed.~~

~~The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

[Remainder of Rule unchanged]