



## Special Executive Report

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**DATE:** August 29, 2023

**SER#:** 9246

**SUBJECT:** Variable Storage Rate (VSR) Results for Wheat and KC HRW Wheat Premium (Storage) Rates

The Variable Storage Rate (VSR) mechanism in The Board of Trade of the City of Chicago, Inc. ("CBOT"):

- (1) Wheat futures contract (CME Globex Code: ZW; Clearing and CME ClearPort Code: W; Rulebook Chapter: 14); and
- (2) KC HRW Wheat futures contract (CME Globex Code: KE; Clearing and CME ClearPort Code: KW; Rulebook Chapter: 14H)

examines nearby calendar spreads to determine adjustments in maximum contract premium (storage) rates. Below are the results of the September 2023 – December 2023 calendar spread relative to financial full carry during the period of July 19, 2023 through August 25, 2023.

### **Wheat and Mini-Sized Wheat Futures – (Increase)**

The September 2023 – December 2023 Wheat calendar spread averaged **90.29 percent** of financial full carry during the period of July 19, 2023 through August 25, 2023. VSR results that are greater than 80-percent of financial full carry trigger an increase in the maximum premium charge. Therefore, the maximum premium charge that a Wheat futures regular delivery facility may charge holders of its outstanding shipping certificates **will increase from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month) to 26.5/100s of one cent per bushel per day (approximately 8 cents per bushel per month) on September 19, 2023.**

### **KC HRW & Mini-Sized KC HRW Wheat Futures – (No Change)**

The September 2023 - December 2023 KC HRW Wheat calendar spread averaged **34.48 percent** of financial full carry during the period of July 19, 2023 through August 25, 2023. VSR results that fall below 50 percent of financial full carry normally trigger a reduction in the maximum premium charge. However, regular delivery facility charges for holders of outstanding shipping certificates for KC HRW Wheat futures are already at the minimum rate. Therefore, the maximum premium charge that a KC HRW Wheat futures regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month).

### **The Next Evaluation Period**

The next evaluation period for both contracts will measure the December 2023 – March 2024 calendar spread relative to financial full carry during the period of September 19, 2023 to November 24, 2023 with the next possible adjustment to contract premium charges on December 19, 2023.

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