



Special Executive Report

S-7272

December 22, 2014

Rule Amendments Approved for Increased Daily Price Limits for Feeder Cattle Futures and Expansion Capability of Daily Price Limits for Feeder Cattle Futures and Live Cattle Futures

Chicago Mercantile Exchange, Inc (Exchange) has received CFTC approval to implement rule amendments, effective for Tuesday, December 23, 2014, to increase the daily price limit in all contract months of Feeder Cattle Futures (Rulebook chapter: 102; Clearing Code: FC; CME Open Outcry Code: FC; CME Globex Code: GF; CME ClearPort Code: 62) to \$4.50 per hundredweight (cwt). These rule changes also allow expansion of daily price limits in Feeder Cattle Futures to \$6.75 per cwt and in Live Cattle Futures (Rulebook chapter: 101; Clearing Code: LC; CME Open Outcry Code: LC; CME Globex Code: LE; CME ClearPort Code: 48) to \$4.50 per cwt, under the conditions noted below in the respective amended rules. The rule amendments implement on a permanent basis the actions of the Exchange taken on an emergency basis on December 17, 2014 and communicated to the marketplace via SER 7266.

The rule amendments are as follows, with additions underlined and deletions overstruck:

Chapter 102 – Feeder Cattle Futures 10202. TRADING SPECIFICATIONS

10202.D. Daily Price Limits

There shall be a daily price limit of \$0.045 ~~no trading at a price more than \$0.030~~ per pound above or below the previous day's settlement price.

In the event that one or both of the first two listed contract months settle at limit, the daily price limits for all contract months shall expand to \$0.0675 per pound on the next business day.

If neither of the first two listed futures contract months settle at the expanded limit the next business day, daily price limits for all contract months shall revert back to \$0.045 per pound on the following business day.

[The remainder of the rule is unchanged.]

Chapter 101 – Live Cattle Futures 10102. TRADING SPECIFICATIONS

10102.D. Daily Price Limits

With the exception of the last two trading days in the expiring contract month, t There shall be a daily price limit of ~~no trading at a price more than \$0.030~~ per pound above or below the previous day's settlement price, ~~except that there shall be no trading at a price more than \$0.050 per pound above or below the previous day's settlement price in the expiring month contract during the last two trading days.~~ In the event that one or both of the first two contract months settle at limit, the daily price limits for all contract months shall expand to \$0.045 per pound on the next business day. If neither of the first two listed futures contract months settle at the expanded limit the next business day, daily price limits for all contract months shall revert back to \$0.030 per pound on the following business day. During the last two days of trading, the expiring contract month shall be excluded from triggering expanded limits.

During the last two trading days in the expiring contract month, there shall be a daily price limit of \$0.050 per pound above or below the previous day's settlement price. All other contract months remain subject to a \$0.030 per pound daily price limit or \$0.045 per pound price limit in the event the daily price limits have been expanded pursuant to the provisions set forth above.

[The remainder of the rule is unchanged.]

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