



Special Executive Report

DATE: March 23, 2020
SER#: 8571
SUBJECT: Increase of Daily Price Limits in the March 2020 Contract Month of the Feeder Cattle Futures Contract

Pursuant to Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) Rule 579.A. (“Global Command Center – GCC Authority”), the Exchange is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that the CME Group Global Command Center (“GCC”) took emergency action regarding price limits of the March 2020 contract month of the Feeder Cattle Futures contract (the “Contract”) effective immediately.

Contract Title	Rulebook Chapter	Clearing Code	CME Globex Code	CME ClearPort Code
Feeder Cattle Futures	102	62	GF	62

CME Rule 10202.D. (“Daily Price Limits”) of the Contract applies initial (\$4.50 per cwt.) and expanded (\$6.75 per cwt.) daily price limits above or below the previous day’s settlement price for each futures contract month. CME Rule 10203. (“Settlement Procedures”) of the Contract describes how the CME Feeder Cattle Index is calculated and that the Index is used to determine the final settlement value for Feeder Cattle futures and options.

Reporting and/or live auctions, direct trade, and video sales have been adversely affected by the COVID-19 virus causing unexpected volatility in the CME Feeder Cattle Index. CME took emergency action to increase daily price limits in the March 2020 contract month of the Contract to \$10.00 per cwt. to ensure that trading is not constrained. In addition, this action will ensure that convergence between the CME Feeder Cattle Index and the March 2020 Feeder Cattle futures contract is not impeded.

The aforementioned emergency action to increase daily price limits of the March 2020 contract month of the Contract was taken as a direct result of the COVID-19 virus’ effect on live auctions, direct trade, and video sales of feeder cattle. It is intended to ensure that futures trading activity is not constrained during the final three (3) trading days of the expiring March 2020 contract (March 24, 25, and 26).

Amendments to the Daily Price Limits Table is provided in Exhibit A below in blackline format.

Inquiries regarding the aforementioned may be directed to the CME Group Global Command Center at 312.456.2391. Questions regarding this Special Executive Report may be directed to the CME Global Command Center at +1.800.438.8616, in Europe at +44.800.898.013, in Asia at +65.6532.5010, or GCC@cmegroup.com. Exhibit A

CME
Daily Price Limits Table
(additions underscored)

Commodity	Outrights	Calendar Spreads
Feeder Cattle (March 2020 Contract Month)	<u>\$0.1000</u>	<u>\$0.1675</u>
Feeder Cattle (<u>All Other Contract Months</u>)	\$0.0675	\$0.0135