

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-169

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/23/20 **Filing Description:** Notification of Emergency Action – Increase of Daily Price Limits in the March 2020 Contract Month of the Feeder Cattle Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: CME Feeder Cattle Futures

Rule Numbers: 102

March 23, 2020

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a)(6) Emergency Rule Certification.
Notification of Emergency Action – Increase of Daily Price Limits in the March 2020
Contract Month of the Feeder Cattle Futures Contract.
CME Submission No. 20-169**

Dear Mr. Kirkpatrick:

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).

The marketplace was notified of the emergency action via the issuance of a Notice of Emergency Action (“Notice”) and CME Group Special Executive Report S-8571 (“S-8571”). A copy of the Notice appears in Exhibit B.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the following Core Principles may be impacted by this emergency action:

- **Emergency Authority:** The action taken by the GCC constitutes an emergency action taken in accordance with the provisions of CME Rule 579. and requires notice to be provided to the CFTC under both Commission Regulations and CME Rule 579.
- **Availability of General Information:** The emergency action will be communicated to the marketplace via the issuance of a Notice of Emergency Action (“Notice”) and SER-8571. The Notice and SER-8671 will be distributed via email to subscribers of these publications in addition to being posted publicly on the CME Group website.

The Exchange certifies that the emergency action to increase daily price limits in the expiring March 2020 contract month of the Contract complies with the Act and regulations thereunder. There were no substantive opposing view to this emergency action.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Daily Price Limits Table (under separate cover)
Exhibit B – Notice of Emergency Action

Exhibit A

CME Daily Price Limits Table

(additions underlined)

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

Exhibit B

CHICAGO MERCANTILE EXCHANGE NOTICE OF EMERGENCY ACTION

FILE NO.: CME 20-0008

SUBJECT: Increase of Daily Price Limits in the March 2020 Contract Month of the Feeder Cattle Futures Contract

**APPLICABLE
CME RULE:** 579. GLOBAL COMMAND CENTER (in part)

A. GCC Authority

The GCC has the authority to take any action deemed appropriate to preserve market integrity in CME Group markets. Such actions include, but are not limited to, the halting of trading, modifying risk-mitigating parameters including price bands, velocity logic and special price fluctuation limits as described in Rule 589, restricting customer access to Globex or any other actions deemed to be in the best interest of the Exchange. In the event any action taken pursuant to this Rule is in response to an emergency as defined in CFTC Regulation 40.1(h), the CFTC shall be notified of the emergency action in accordance with CFTC Regulations.

EMERGENCY ACTION: On Monday, March 23, 2020, the Global Command Center ("GCC") took emergency action by increasing the price limits applicable to the March 2020 contract month of the Feeder Cattle Futures contract as listed below effective immediately. Reporting and 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 price limits in the March 2020 contract month of the Contract to \$10.00 per cwt. to ensure that trading is not constrained. The emergency action is intended to ensure fair and orderly trading in the Contract.

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

In the good faith exercise of its sole discretion, the GCC determined that an emergency exists, and that emergency action is warranted.

**EFFECTIVE
DATE:** March 23, 2020