CME Group

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May 21, 2012

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Regulation 40.2 and Regulation 40.6 Self-Certification:
CBOT Black Sea Wheat Futures

CBOT Submission # 12-149

A. Proposed amendments.

The Chicago Board of Trade ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission" or "CFTC") that it intends to self certify under Regulation 40.2(a) new Wheat futures contract and under Regulation 40.6(a) Block Trading levels for the new Wheat futures contract with physical delivery at selected ports on the Black Sea ("Black Sea Wheat").

CBOT currently lists CBOT Wheat futures, which is largest and most liquid wheat futures contract in the world. Because of its liquidity, CBOT Wheat futures often act as a global benchmark for wheat prices and risk management. However, the share of global wheat trade originating in the Black Sea has increased significantly over the past decade. Given the growth in the region, many international wheat traders now look first to the Black Sea region when procuring additional wheat. Thus, price of wheat in the Black Sea region increasingly represents the value of wheat in the global export market. A well-functioning contract on Black Sea wheat will significantly enhance the price discovery and transparency in the region and provide valuable risk management to the entire global wheat export market.

The Exchange intends to launch the Black Sea Wheat ("BSW") futures contract on Wednesday, June6, 2012. The contract will trade during the hours of 1:00 a.m. to 1:15 p.m. Chicago Time. These hours roughly correspond to 9:00 a.m. to 9:15 p.m. in the Black Sea region. The contract will trade in U.S. Dollars, consistent with the region's FOB cash market.

B. Contract Overview.

The BSW futures contract is a physically delivered wheat futures contract with delivery in the following designated ports:

Ukraine
Port of Illichivsk
Port of Odessa
Port of Sevastopol
Port of Yuzhny
Port of Nikolaev

Russia
Port of Novorossiysk
Port of Tuapse
Port of Taman

Romania
Port of Constanta

The BSW futures contract will provide needed price discovery, transparency, and risk management to this rapidly growing grain market. The contract terms are for FOB delivery of 136 metric tons (approximately 5,000 bushels) of milling wheat from one of the designated ports listed above. The BSW futures contract is being launched after almost two years and hundreds of interactions with potential commercial participants, government officials, and traders in the region.

C. Position Limits and Deliverable Supply.

Based on deliverable supply in the Black Sea region, the Exchange plans to incorporate a spot month position limit, defined as the last three trading days, of 1,000 contracts for the BSW futures contract, which is less than 25 percent of estimated deliverable supply as described below.

The BSW futures contract specifies delivery of milling wheat through the major Black Sea ports in Russia, Ukraine, and Romania. The Public Ledger (http://www.agra-net.com/portal2/pl/) publishes monthly export data for both Russia and Ukraine. Deliverable supply is estimated from monthly export data from 2007 through 2011.

The BSW futures contract will be delivered during the following months: March, May, July, September, and December. Below are Russian and Ukrainian wheat exports during these months over the past five years.

Russian Wheat Exports (Metric Tons)

Year	Mar	May	Jul	Sep	Dec
2007	803,050	629,977	438,315	2,143,218	1,659,953
2008	5,001	4,560	723,600	2,630,212	1,407,517
2009	1,760,749	1,048,002	721,423	2,124,603	1,300,744
2010	1,730,880	1,609,834	1,717,792	2,510	11,153
2011	0	10,000	2,521,803	3,033,101	2,221,341
AVERAGE	**859,936**	**660,475**	**1,224,587**	**1,986,729**	**1,320,142**

Ukrainian Wheat Exports (Metric Tons)

Year	Mar	May	Jul	Sep	Dec
2007	52,645	40,361	105,911	1,046	0
2008	153,067	14,674	645,911	1,542,173	1,043,322
2009	1,112,007	1,096,691	626,744	1,832,144	1,057,073
2010	561,614	235,245	224,630	610,241	361,724
2011	322,601	72,596	139,492	834,589	351,448
AVERAGE	**440,387**	**291,913**	**348,538**	**964,039**	**562,713**

Wheat export data for Russia and Ukraine are not broken down by quality. Anecdotal evidence from traders and press reports (for example, see http://www.bloomberg.com/news/2011-09-13/ukraine-s-harvest-produced-less-milling-wheat-consultant-says.html), indicates that Ukrainian production is typically at least 40 percent milling wheat, which would meet the quality specifications proposed for Black Sea Wheat futures. Alternatively, Russian milling wheat typically makes up at least 70 percent of that country's production (for example, see http://www.agrimoney.com/news/russia-adds-to-world-fears-over-wheat-quality--3505.html). The above export numbers are adjusted in the table below assuming 40 percent of Ukrainian exports are milling wheat and 70 percent of Russian exports are milling wheat.

	Mar	May	Jul	Sep	Dec
Average Russian Total Wheat Exports	859,936	660,475	1,224,587	1,986,729	1,320,142
Average Estimated Russian Milling Wheat Exports (70 percent of Total)	601,955	462,332	857,211	1,390,710	924,099
Average Ukrainian Total Wheat Exports	440,387	291,913	348,538	964,039	562,713
Average Estimated Ukrainian Milling Wheat Exports (40 percent of Total)	176,154	116,765	139,415	385,616	225,085
Average Total Russian and Ukrainian Milling Wheat Exports	**778,109**	**579,097**	**996,626**	**1,776,326**	**1,149,184**

As the table above indicates, the smallest monthly average milling wheat exports occur in May with an estimated deliverable supply of 579,097 metric tons. Since each Black Sea Wheat futures contract represents 136 metric tons, the May deliverable supply represents 579,097 ÷ 136 = 4,258 contracts. Twenty-five percent of the May deliverable supply is 4,258 * 0.25 = 1,065 contracts or 65 contracts more than the proposed spot month speculative position limit.

The estimate of 25 percent of deliverable supply, in this case 1,065 contracts, is a very conservative because it counts actual exports as deliverable supply, but it does not attempt to count milling wheat that is not exported but that could be available for export, which is likely quite significant. Additionally, Romanian exports are not included in the analysis even though the largest Romanian port, Constanta, is one of the potential delivery points. Romania is not included because as part of the EU, its wheat exports are aggregated with total EU exports. Thus, it is difficult to separate actual Romanian exports from total EU exports. If these additional factors were included in the analysis of deliverable supply, the proposed spot month speculative position limit of 1,000 contracts would likely be significantly below 25 percent of deliverable supply.

Other issues with the potential to affect deliverable supply are bottlenecks within the ports themselves. Below is analysis on the loading capabilities at the majority of designated ports:

Official daily loading rates for many of the designated ports:

Port	Terminal Owner/Mgr	Official Load Rate	Storage

		(MT per Day)	
Novorossiysk	JSC Novorolesexport	20,000	120,000
Illichivsk	Kernel	8,000	135,000
Odessa	Bread of Ukraine	3,000	80,000
Odessa	Public	5,000	None
Savastopol	Avlita	17,000	100,000
Yuzhny	TIS	10,600	270,000
Nikolaev	Nibulon	4,000	100,000
Nikolaev	Bunge	2,000	56,000
Nikolaev	Bread of Ukraine	7,500	60,000
Constanta	Siloport	4,000	30,000
Constanta	North Star	18,000	350,000
Constanta	Silotrans	12,000	100,000
Constanta	United Shipping	10,000	295,000
Constanta	Chimpex	6,000	150,000
TOTAL		**127,100**	**1,846,000**

The daily loading capabilities of a large proportion of deliverable ports is 127,100 metric tons per day. The Black Sea Wheat futures contract establishes load-out during the second half of the delivery month, which may be extended into the first half of the month following the delivery month. Assuming a conservative 15 day delivery window, results in loading capacity of 127,100 * 15 = 1,906,500 metric tons or 1,906,500 ÷ 136 = 14,018 contracts which is significantly greater than the 4,258 contract equivalent estimate of deliverable supply. As such, loading capacity at the designated ports does not constrain deliverable supply.

D. <u>Other Considerations</u>

The BSW futures contract is FOB based. Thus, the contract design differs from other CBOT grain and oilseed products. The delivery instrument on the CBOT Wheat futures contract is a financial instrument called a Shipping Certificate. The buyer of a Shipping Certificates obtains the right, but not the obligation, to load-out physical wheat at the facility that issued the Certificate. Thus, taking delivery on CBOT Wheat futures does not require the buyer to load-out physical wheat. Instead, the buyer may re-deliver the Shipping Certificate on the current or a subsequent Wheat futures contract; may carry the Shipping Certificate as an investment and pay the facility that issued the Certificate a storage fee; or sell the Shipping Certificate to another market participant in the cash market. Because a Shipping Certificate does not require load-out of physical wheat, CBOT Wheat futures continue to trade for approximately two weeks after deliveries begin.

The BSW futures contract, on the other hand, requires physical delivery after a futures contract expires. Thus, if a trader maintains short positions in an expiring BSW futures contract, that trader will be required to deliver physical wheat meeting the contract's quality attributes during a specified period in the second half of the delivery month, and if a trader maintains long positions in an expiring BSW futures contract, that trader will be required to furnish a vessel to receive physical wheat during a specified period in the second half of the delivery month. Unlike the CBOT Wheat futures contract, the BSW futures contract will not continue to trade during the delivery month; instead, trading in an expiring contract will terminate on the last business day prior to the delivery month. On the first day of the delivery month, buyers and sellers will be matched by the CME Clearing House, and physical delivery or load-out between the matched buyers and sellers will occur during the second half of the delivery month.

This requirement for physical delivery has led to extensive analysis and several terms to assure market participants can liquidate positions efficiently.

1. Like other CBOT grain and oilseed products, the BSW futures contract rules reference Delivery Offset Procedures (CBOT Rule 770), which allows clearing firms with positions in expired contracts and for which the position holder is unable to fulfill its obligations to request to offset such positions against opposite positions through a trade transfer.

2. Allows for Exchange for Related Positions (EFRP) transactions for liquidation purposes after contract expiration (last business day of the month prior to the delivery month at 12:00 hours Chicago time) until short intentions are due (first business day of the delivery month at 12:00 hours Chicago time).

3. Allows Block Trading with a minimum threshold of 10 contracts. Block trading will likely add significant efficiencies to the BSW contract. Many FOB deliveries in the Black Sea region are for panamax vessels (60,000 tons) or handy vessels (25,000 tons). This represents 441 and 184 BSW futures contracts respectively. Any new futures contracts will struggle to provide the liquidity necessary to secure these levels of positions.[1] Thus, Block Trading will allow commercial participants the ability to secure larger positions more consistent with their cash market exposure or, perhaps more importantly, allow commercial participants an additional tool to liquidate positions should they decide not to pursue delivery. Block Trading will also give market participants who have no desire to participate in delivery extra security that they will be able to liquidate their positions prior to contract expiration.

4. Allow Alternative Delivery Procedures (ADP). Many FOB based energy futures contracts use ADP effectively. Like the BSW futures contract, cash market energy transactions are typically much larger than the exposure many market participants are willing to carry into an expiring futures contract. ADP procedures allow matched buyer and seller to negotiate vessel quantity delivery outside the CME Clearing Delivery System.

5. Like other CBOT electronically traded agricultural products, the BSW futures contract will have a Non-Reviewable Range, in this case 35 ticks or $3.50 per metric ton. A black line of the insertion of a Non-Reviewable Range for the BSW futures contract into CBOT Rule 588. G. is included in Appendix A.

E. <u>Block Trading</u>

As mentioned above, the Exchange believes block trading in minimum size of 10 contracts will be an important component allowing firms that want to participate in delivery an opportunity to establish larger commercially viable positions while simultaneously providing participants who do not want the participate in delivery additional security to liquidate their positions.

The BSW futures contract, while holding much potential given the growth in the region's wheat markets, still presents many unknowns. While multinationals operating in the region have substantial futures market experience, the desks that cash trade in the Black Sea region have much more limited futures experience in many cases. Thus, market liquidity, especially during the early months is difficult to predict. The Exchange is offering many educational opportunities and is hopeful liquidity will build quickly. Until then, we believe that a 10-lot is likely to incur a substantial price concession if entered into the centralized market during a significant portion of the trading day.

Both CBOT Wheat and NYSE Euronext Liffe Milling Wheat futures are related futures contracts, and the Exchange expects active spreading between these markets. However, the correlation on returns between BSW cash prices and both CBOT Wheat and NYSE Euronext Liffe Milling Wheat futures is very low. Thus, there will be market participants wanting to trade price relationships, but limited liquidity using either of these liquid Wheat futures contracts as a hedge.

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[1] BSW Wheat futures require shorts to deliver a minimum of 75 contracts. This represents 10,200 metric tons, which is a small but merchandisable quantity.

The RTS Stock Exchange in Moscow lists a look-alike CBOT Wheat futures contract traded in Rubles. This contract, however, is illiquid. As the deliverable supply data indicates, the underlying cash market is large and liquid, but the Exchange estimates it will take significant time to translate cash market potential into deep futures market liquidity. CBOT Wheat Calendar Swaps may be traded in single 5,000 bushel lots, so a small block size is common in the commodity.

F. Compliance with Core Principles

CBOT business staff responsible for the new products and the CBOT legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act (the "Act" or "CEA"). During the review, CBOT staff identified that the new products may have some bearing on the following Core Principles:

- Prevention of Market Disruption: Trading in these contracts will be subject to Rulebook Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department.

- Contracts not Readily Subject to Manipulation: The new contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash market, which provides diverse participation and sufficient spot transactions to support the underlying market.

- Compliance with Rules: Trading in these contracts will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in these contracts will also be subject to the full range of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

- Position Limitations or Accountability: The spot month position limit is set at a conservative level that is less than the 25% threshold of the monthly deliverable supply in the respective underlying market.

- Availability of General Information: The Exchange will publish information on the contract's specification on its website, together with daily trading volume, open interest and price information.

- Daily Publication of Trading Information: Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by the CME Clearing House which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.

- Trade Information: All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

- Protection of Market Participants: Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in this product.

- Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the rules. Trading in these contracts will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this product are identified.

- Dispute Resolution: Disputes with respect to trading this contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. The rules in Chapter 6 allow all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to the rules in Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

The Exchange certifies that these contract terms and conditions comply with the Act and regulations thereunder.

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.

Attached to this certification are the BSW futures contract terms and conditions (Appendix A), an update to the CBOT Chapter 5 Position Limits are Reportable Level Table, and an update to the Chapter 5 Non-Reviewable Range Table (Appendix B). In connection with the introduction of block-trade eligibility for CBOT Black Sea Wheat futures and the introduction of block trading in CME E-mini S&P Select Sectors Stock Index futures ("Stock Index futures") as Basis Trade at Index Close ("BTIC") Transactions, CME & CBOT will issue Market Regulation Advisory Notices RA1201-3 on Wednesday, May 23, 2012. RA1201-3 has been updated to include information on block eligibility for the Black Sea Wheat futures contract and the ability to execute block trades in Select Sector futures as BTIC Transactions. A copy of the Advisory Notice is included with this Submission as Appendix C. Please note that the changes to CME Chapter 369 ("E-mini S&P Select Sector Stock Index Futures") will be submitted via a separate CME Submission.

If you require any additional information, please contact me. Please reference our CBOT Submission 12-149 in any related correspondence.

Sincerely,

/s/Sean M. Downey
Director & Assistant General Counsel

Attachments: Appendix A
Appendix B
Appendix C

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APPENDIX A

Chapter 33
Black Sea Wheat Futures

33100. SCOPE OF CHAPTER

This chapter is limited in application to Black Sea Wheat futures. The procedures for trading, clearing, inspection, delivery and settlementnot specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

33101. CONTRACT SPECIFICATIONS

The contract grade for delivery on futures contracts made under these Rules shall be bulk milling wheat which conforms to the following specifications:

Test Weight	minimum 76.0 kg/hl (as per ISO 7971-3)
Protein	minimum 11.5% (on DM basis as per ISO 20483)
Wet Gluten	minimum 23% (as per ISO 21415-2)
Falling Number	minimum 230 sec. (as per ISO 3093)
Moisture	maximum 14% (as per ISO712)
Grain Impurities	maximum 8% (as per EN15587)
Misc Impurities	maximum 2% (as per EN15587)
Bug Damage (incl bug ridden grains)	maximum 1.5% (as per EC 1272/2009)

Testing methods shall bein the edition current on the last trading day.

33102. TRADING SPECIFICATIONS

33102.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and delivery in such months as determined by the Exchange.

33102.B. Trading Unit

The unit of trading shall be 136 metric tons. Trading shall be in U.S. Dollars per metric ton Free On Board (FOB).

33102.C. Price Increments

The minimum fluctuation shall be ten cents ($.10) per metric ton ($13.60 per contract).

33102.D. Daily Price Limits

There shall be no trading at a price more than $22 per metric ton above or below the previous day's settlement price.There shall be no price limits on the current month contract during the last two trading days (i.e., on or after the second business day preceding the first day of the delivery month).

33102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 1,000contracts net long or net short in the spot month, which is the month prior to the contract month. For example, spot month position limits for a July contract would go into effect at the close of trade on the first business day in June.
2. 1,000 futures-equivalent contracts net long or net short in any single month or in all months combined.

The foregoing position limits shall not apply to bona fide hedging positions meeting the requirements of the CFTC and the rules of the Exchange and shall not apply to other positions exempted pursuant to Rule 559.

33102.F. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the position of all accounts in which a person or persons have a propriety or beneficial interest, shall be cumulated.

33102.G. Termination of Trading

Trading shall terminate on the last business day of the month preceding the delivery month.

Sellers shall have a three-day secured nominated loading slot, for any period of three consecutive days between the 15th calendar day of the delivery month and the last calendar day of the delivery month, issued by an approved delivery port, before holding a short position in an expiring contract.

Clearing members' responsibility for assessing account owner's ability to make or take delivery shall be governed by the provisions of Rule 716.

Delivery offsets shall be permitted as governed by the provisions of Rule 770.

Exchange for Related Position (EFRP) transactions shall be governed by the provisions of Rule 538. EFRP transactions may be permitted after the termination of trading until 12 Noon Chicago time on the first business day of the contract month. EFRP transactions conducted after the termination of trading shall not establish new positions.

33101.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to government regulations in force at the time of delivery. If any applicable governmental agency issues an order, ruling, directive, or law that conflicts with the requirements of these rules, such order, directive or law shall be construed to take precedence and shall become part of these rules and all open and new contracts shall be subject to such government orders.

33103. WEIGHING

The Grain and Feed Trade Association (GAFTA; www.gafta.com) Weighing Rules No. 123,in the edition current on the last trading day**,** shall apply. Final at loading as per certificates issued by a GAFTA registered superintendent at Seller's choice and expense. Buyers have the right to attend at loading. A loading tolerance of two percent (2%) above or below the deliverable quantity is permitted at contract price.

33104. OFFICIAL SUPERVISIONAND ANALYSIS

From the GAFTA Register of Superintendents, and unless otherwise agreed, from the GAFTA Register of Analysts.

33105. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS

GAFTA Sampling Contract No. 124, in edition current on the last trading day, shall apply. Samples shall be taken at the time and place of loading.

33106. DELIVERY PORTS

Delivery shall be at one of the following Ports:

Ukraine

Port of Illichivsk

Port of Odessa

Port of Sevastopol

Port of Yuzhny

Port of Nikolaev

Russia

Port of Novorossiysk

Port of Tuapse

Port of Taman

Romania

Port of Constanta

Sellers shall guarantee the ability to load handy vessels and allow sailing for vessels with maximum draft of 10.3 meters.

The Exchange may declare additional delivery ports that shall apply on all contracts outstanding or made thereafter.

33107. PROCEDURES FOR INTENTION AND ASSIGNMENT OF DELIVERY

33107.A. Delivery Intention

Clearing members representing short position holders (Short Clearing Firm) shall enter delivery intentions into the Clearing Delivery System by 12:00 Noon Chicago time on the business day following the last trade date. Delivery intentions shall include delivery quantity (number of contracts), port designation, three-day delivery window, and customer making delivery. The delivery window shall be any three-consecutive-day period between the 15th calendar day and the last calendar day of the contract month.

Customers with open short positions at contract expiration must have short positions of at least 75 contracts of like Port and like three-day loading period.

All clearing members shall be able to see all the short intentions entered into the system after 12:00 Noon Chicago time on the business day following the last trade date.

By 2:00 PM Chicago time on the business day following the last trade date, clearing members representing long position holders (Long Clearing Firms) shall enter their intentions to take delivery consisting of quantity (number of contracts) and customer taking delivery. Long Clearing Firms may also request assignment to a specific port designation and delivery window based on the intents to deliver entered by the Short Clearing Firms. In order to request an assignment, the Long Clearing Firm shall select a port designation and delivery window combination entered by the Short Clearing Firms, as well as the date the customer's long positions were initiated.

33107.B. Delivery Assignment

The Clearing House shall assign delivery between Long and Short Clearing Firms and notify all Long Clearing Firms on the day of the assignment. The assignment process will occur after 2:00 PM Chicago time on the business day following the last trade date.

Buyers and sellers will be matched as follows:

1. Deliveries will be assigned first to the Long Clearing Firm(s) that entered requests in their intentions to take delivery. If two or more firms have requested the same port designation and delivery window, the delivery shall be allocated to the Long Clearing Firm with the largest requested quantity. If firms have the same requested quantity, the delivery shall be allocated to the Long Clearing Firm with the oldest trade date (oldest long position). If firms have the same trade date, the delivery shall be allocated to the Long Clearing Firm with the oldest entry time for their intentions to take delivery.
2. After requests are assigned, any remaining positions will be assigned when possible based on size such that firms with large quantities are assigned prior to smaller quantities.

33107.C Delivery Margins

On the business day following the last trade date, both Buyers' and Sellers' Clearing Firms shall obtain margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a standby letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any standby letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Exchange.

33108. LOAD-OUT

33108.A. Load-Out Requirement and Alternative Delivery Procedures

Buyers must load-out all deliveries assigned, even if the buyer is assigned more than one Port and/or 3-day loading period.

A seller or buyer may agree with the buyer or seller with which it has been assigned by the Clearing House under Rule 33107.B. to make and take delivery under terms or conditions which differ from the terms and conditions described by this Chapter. In such case, both Short and Long Clearing Firms shall execute an Alternate Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release both Short and Long Clearing Firms, the Clearing House, and the Exchange from their respective obligations under the Exchange contracts.

In executing such Notice, Short and Long Clearing Firms shall indemnify the Exchange against any liability, cost, or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

33108.B. Delivery Prohibitions, Force Majeure, and Failure to Perform

1. Definitions
    a) "Delivery Prohibitions" shall mean delivery delays or cancellations in case of prohibition of export, blockade, or hostilities or in case of any executive or legislative act done by or on behalf of the government of the country of origin of the commodity, or of the country from which the goods are to be shipped, restricting export, whether partially or otherwise.
    b) "Failure to Perform" means the failure of a buyer or seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.
    c) "Party" means a buyer or seller and "Other Party" means the corresponding buyer when the seller is late in performance or has failed to perform and the corresponding seller when the buyer is late in performance or has failed to perform.
2. Responsibilities of Parties to the Delivery
    a) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a party has failed to perform.
    b) A party which has failed to perform its obligations may no longer perform such obligations.
    c) In the event that a Party has failed to perform, the Other Party shall be responsible to provide written notification to the Exchange.
3. Declaration of Delivery Prohibitions, Force Majeure, and Failure to Perform
    a) Declarations of Force Majeure and actions taken with respect to such declarations will be governed by the provisions of Rule 701.
    b) Declarations of Delivery Prohibitions and Failures to Perform and actions taken with respect to such declarations will be governed by a panel of three (3) Exchange staff members appointed by the Chief Regulatory Officer.
    c) When a long position holder or a short position holder has failed to perform, the clearing firm representing the long position holder or the short position holder, as applicable, through which the delivery is affected, shall be liable to the Other Party for any damages awarded pursuant to Exchange panel, arbitration, and/or disciplinary procedures.

33108.C Load-Out

Dates and times for Load-out rules in this section shall be the local time in the port of loading.

For the purpose of these rules, delivery is between the Buyer's Clearing Firm and the Seller's Clearing Firm. However, Buyers and Sellers should also communicate and exchange documentation as per cash market custom.

The Buyer shall give nomination of vessel with not less than 10 consecutive day's notice before the vessel's ETA to the Seller. Nomination shall include name, flag, draft, tonnage, dimensions, owner, registration number, estimated arrival time, demurrage rate, planned intake, and vessel draft on planned intake. After nomination is issued, the Buyer's Clearing Firm shall enter into the Clearing Delivery System that the nomination has been issued.

The Seller's Clearing Firm shall confirm or reject the nomination with indication of unacceptable parameters within 24 hours after the Buyer's Clearing Firm issued the nomination into the Clearing Delivery System. Confirmation or rejection shall be issued directly to the Buyer and also by the Seller's Clearing Firm into the Clearing Delivery System.

Upon the Seller's request, the buyer shall provide a copy of its charter party agreement.

At least two calendar days prior to the delivery period, the Seller's Clearing Firm shall inform the Buyer's Clearing Firm what port berth will be used in the delivery through the Clearing Delivery System.

Notice of Readiness shall be on-time if the Notice of Readiness date, defined below, is before the end to the three-day loading period.

Notice of Readiness to be tendered at the office of the Seller or its agent at the load port before 17:00 hours local time Monday through Friday, and before 11:00 hours local time on Saturdays, Sundays, and holidays excepted; WIPON/WIFPON/WICCON/WIBON. Any Notice of Readiness received after these times shall be deemed to have been received on the following calendar day. The Notice of Readiness date is the calendar day that the valid Notice of Readiness was tendered at the office of the Seller. Buyer and Seller shall share dated copies of thisvalid Notice of Readiness with their respective Clearing Firms.

The vessel's holds shall be clean, dry, odorless and in all respects ready to receive cargo for the Notice of Readiness to be valid. In case of dispute over the vessel's readiness to receive cargo, the Buyer's GAFTA approved independent surveyor shall decide the vessel's readiness to load. If the independent surveyor determines the vessel ready to load, then the original Notice of Readiness shall be valid. If rejection of Notice of Readiness is undisputed or confirmed by the independent surveyor, a new Notice of Readiness shall be tendered on the business day after the vessel has passed re-inspection.

If the Notice of Readiness date is not before the end of the three-day loading period, the Seller will nominate another three-day loading period as close as possible to the Notice of Readiness date, but at the Seller's discretion and subject to the decision of the stevedores/port authorities. All time lost as well as any vessel charges while waiting for her next turn for berthing to be for the Buyer's time and account.

If the Notice of Readiness date is not before the end of the three-day loading period, the Buyer shall pay a daily storage charge of $0.20 per metric ton from the calendar day following the original three-day loading period until load-out is complete. Load-out is complete when the Buyer's Clearing Firm issues Delivery Confirmation in the Clearing Delivery System per Rule 33110.

If the Buyer fails to present a vessel and issue a Notice of Readiness within 10 consecutive days after the end of the delivery month, the Seller's Clearing Firm shall have the option of providing notification to the Exchange of a failure to perform under Rule 33108.B(2)(c). If the Seller fails to load a constructively placed vessel within 10 consecutive days after the end of the delivery month with no force majeure or export restrictions in place, the Buyer's Clearing Firm shall have the option of providing notification to the Exchange of a failure to perform under Rule 33108.B(2)(c).

Load-out may occur at any time during the three-day loading period or when free berth becomes available, whichever comes later. Seller guarantees to load the tonnage represented by the number of delivery contracts matched between the Seller and Buyer, with an allowable two percent tolerance (2%), at not less than 10,000 metric tons per day. Seller shall pay demurrage, as per the demurrage rate specified in the vessel nomination if loading is slower than the guaranteed loading rate. Lay-time shall commence counting at 08:00 a.m. on the calendar day following the Notice of Readiness date or the first day of the three-day loading period, whichever is later. Lay-time shall count for each weather running day of 24 consecutive hours. New Year's Day (1 January) from Midnight until 18:00 excluded, even if used. Time for mooring/unmooring operations between berths, if any, shall not count.

Should delivery or loading be prevented at any time during the delivery month by reason of ice at the port of loading or elsewhere preventing the forwarding of goods to such port, Clause 15 of GAFTA Contract No. 49, in edition current on the last trading day, shall apply.

Standard surface fumigation consistent with standards of fumigation in the country of shipment and re-circulation, if required, shall be for the Seller's account.

Loading shall be in accordance with the custom of the port of loading.

33108.D License, Duties, and Insurance

Sellers shall be responsible for obtaining all necessary export and customs licenses and shall make any associated payments, including but not limited to export duties, customs excise taxes, taxes, levies, and all other governmental or regulatory fees or charges in present or in the future. Furthermore, Sellers shall pay and be liable for any fines or penalties resulting from or in connection with the delayed or unpaid amounts thereof and keep the Other Party harmless and fully indemnified in the event the Other Party has to make a payment to satisfy with this respect.

All import duties, taxes, levies, etc, in present or in the future shall be for the Buyer.

Insurance to be covered by the Buyer at their own risk and cost from the moment goods are on board the vessel. The Seller may request a copy of the insurance policy from the Buyer, who is obligated to provide a copy.

33108.E Arbitration

Any disputes outside of delivery prohibitions, force majeure, and failure to perform covered under Rule 33108.B that arises out or under this contract shall be settled in accordance with Exchange arbitration and/or disciplinary procedures.

33108.F. Documentation

Seller must prepare all required documents. Buyer's instruction shall dictate.

33110. PAYMENT

Upon completed loading, the Seller's Clearing Firm shall confirm in the Clearing Delivery System that loading is complete. The Buyer's Clearing Firm shall present the Seller's Clearing Firm with copies of one full set of Clean on Board Bills of Lading, issued "TO ORDER" within 24 hours after the Bills of Lading are originated. The Buyer's Clearing Firm shall then confirm in the Clearing Delivery System that loading is complete. Upon receipt of the Bills of Lading, the Seller's Clearing Firm shall confirm receipt in the Clearing Delivery System and delivery shall be considered complete. Delivery confirmations received after 3 p.m. Chicago Time or on weekends and holidays shall be dated the next business day.

The Seller's Clearing Firm shall issue an invoice to the Buyer's Clearing Firm detailing payment due based on the tonnage delivered under Rule 33108.C. plus any adjustments that occurred during the load-out that should be for the Buyer's account (for example, storage charges, overfills, etc.) or for the Seller's account (for example, demurrage charges, underfills, etc.). All adjustments must be fully documented. The invoice must be issued by 12:00 noon Chicago Time on the business day after the Buyer's Delivery Confirmation date.

The Buyer's Clearing Firm shall pay the Seller's Clearing Firm the invoice amount by certified check at the office of the Seller's Clearing Firm or by federal funds money wire by 12:00 noon Chicago Time two business days following the Buyer's Delivery Confirmation date. If the Buyer's Clearing Firm disputes the Seller's Clearing Firm's invoice amount, the Buyer's Clearing Firm shall pay the Seller's Clearing Firm the value of the contracted quantity of wheat documented in the Clearing Delivery System and claim arbitration under Rule 33108.E. to settle adjustments that occurred during load-out.

Immediately upon receipt of payment, the Seller's Clearing Firm shall confirm in the Clearing Delivery System that payment is complete. Upon the Seller's Clearing Firm's payment confirmation, the Clearing House will return to the involved Clearing Members all margin monies held for the account of each with respect to the contracts involved.

In the event the Seller's Clearing Firm does not receive payment, it shall advise the Exchange in writing. On the following business day, if indeed payment is not made by the Buyer's Clearing Firm, the Exchange shall liquidate the margins held and, when the liquidation is complete, shall pay the Seller's Clearing Firm.

APPENDIX B

CBOT Chapter 5 Position Limit and Reportable Level Table

CONTRACT NAME	Opts	SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options	REPORTABLE FUTURES LEVEL	REPORTABLE OPTIONS LEVEL
				AGRICULTURAL				
Black Sea Wheat	**N**		**1,000**	**1,000**	**1,000**		**50**	**N/A**

RULE 588.G.			
(Bold/underline Indicates Additions)			
NAME	**NON-REVIEWABLE RANGE**	**NRR INCLUDING UNIT OF MEASURE**	**NRR TICKS**
Black Sea Wheat Futures	**35**	**$3.50 per metric ton**	**35**

APPENDIX C

MARKET REGULATION ADVISORY NOTICE

Exchange	**CME & CBOT**
Subject	**Block Trades**
Rule References	**Rule 526**
Advisory Date	**May 23, 2012**
Advisory Number	**CME &CBOTRA1201-3**
Effective Date	**June 6, 2012 – CBOT Black Sea Wheat Futures** **June 11, 2012 – BTIC Block Trades in Select Sector Futures**

OnJune 6, 2012, this Advisory Notice will supersede CME & CBOT Market Regulation Advisory Notice RA1110-3 issued on December 5, 2011. It is being issued to add CBOT Black Sea Wheat futures to the list of block-eligible productsand to introduce Basis Trade at Index Close ("BTIC") block trades in CME E-mini S&P Select Sector™ Stock Index futures ("Select Sector futures").

Effective on June 6th, CBOT will launch its new Black Sea Wheat futures contract. Upon launch, block trading will be allowed in the new contract at a minimum threshold of 10 contracts.

Effective on June 11th, CME will introduce BTIC Transactions in Select Sector futures. A BTIC Transaction is a futures transaction that is priced with reference to the applicable cash index close price. Beginning June 11th, CME will permit BTIC Transactions in Select Sector futures to be executed as block trades pursuant to the requirements of Rule 526 ("Block Trades") and the requirements set forth in CME Chapter 369 ("E-mini S&P Select Sector Stock Index Futures"). The current minimum threshold of 50 contracts applicable to Select Sector futures will also apply to BTIC block trades in Select Sector futures.BTIC block trades in Select Sector futures may not be executed as a spread transaction pursuant to the requirements in Section 4 of this Advisory Notice. Parties wishing to effectuate a block spread transaction in BTIC Select Sector futures will be required to negotiate the transaction as separate outright BTIC block trades. Each leg must meet the minimum threshold of 50 contracts and must comply with all other requirements set forth in Rule 526, CME Chapter 369 and this Advisory Notice.

The futures price assigned to the Select Sector futures BTIC block trade will be based on the current day's Select Sector cash index close price, or the current day's Select Sector cash index close price adjusted by any valid price increment (the "Basis") higher or lower than the Select Sector cash Index close price. The Basis must be stated in full tick increments as set forth in CME Rule 36901 ("Commodity Specifications"). **The BTIC block trade quantity and the Basis price must be reported to the Exchange within five minutes of the agreement**

<u>of the parties to execute the trade</u>. Additionally, BTIC block trades must be reported to the Exchange at least 10 minutes prior to the scheduled close of the underlying primary securities market to establish the BTIC futures price on the current trading day. A BTIC block trade that is not reported at least 10 minutes prior to the scheduled close of the underlying primary securities market will be priced based on the index close price for the next available trading day for the primary securities market.

The futures price of a BTIC block trade will be determined by the Exchange at 3:45 p.m. Central Time and the Exchange-determined price will be final at that time. In the event of an early scheduled close of the primary securities market, the futures price of a BTIC block trade will be determined by the Exchange 45 minutes after the early scheduled close time for the primary securities market, and the Exchange-determined price will be final at that time. **<u>In the event of an equity market disruption in the primary securities market, all BTIC block trades will be cancelled for that trade date</u>**. BTIC block trades will also not be permitted on the last day of trading in an expiring contract month.

For additional information on BTIC transactions, including BTIC block trades, please see today's release of Special Executive Report S-6249.

CME and CBOT products in which block trading is permitted appear in Section 10 and the text of CME and CBOT Rule 526 appears in Section 12 of this Advisory Notice.

1. Definition of Block Trades

Block trades are privately negotiated futures, options or combination transactions that meet certain quantity thresholds which are permitted to be executed apart from the public auction market. All block trades are subject to the conditions set forth in CME and CBOT Rule 526 ("Block Trades") and in this Advisory Notice. Additionally, BTIC block trades are also subject to the requirements set forth in CME Rule 36906.A. ("BTIC Block Trade Requirements").

2. Participation in Block Trades

Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act. Eligible Contract Participants generally include exchange members and member firms, broker/dealers, government entities, pension funds, commodity pools, corporations, investment companies, insurance companies, depository institutions and high net-worth individuals. Commodity trading advisors and investment advisors who are registered or exempt from registration, and foreign persons performing a similar role and subject as such to foreign regulation, may participate in block transactions provided they have total assets under management exceeding $25 million and the block trade is suitable for their customers.

A customer order may be executed by means of a block trade only if the customer has specified that the order be executed as a block trade.

Orders may not be bunched to meet the minimum block quantity thresholds.

3. Time and Prices of Block Trades

Block trades may be executed at any time, including times during which the public auction market is closed. Notwithstanding the foregoing, BTIC block trades may not take place on the last day of trading in an expiring E-mini S&P Select Sector Index futures contract month.

Block trades must be transacted at prices that are **"fair and reasonable"** in light of (i) the size of the transaction, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including, without limitation, the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade. The Basis applied to a BTIC block trade must also be fair and reasonable taking into account financing rates, expected dividend income and the time remaining until the applicable E-mini S&P Select Sector Stock Index futures contract expires pursuant to the requirements of CME Rule 36906 ("Basis Trade at Index Close ("BTIC") Transactions").

The trade price must be consistent with the minimum tick increment for the market in question. Additionally, each outright transaction and each leg of any block eligible spread or combination trade must be executed at a single price.

Block trade prices are reported independently of transaction prices in the regular market and are not included as part of the daily trading range. Block trade prices do not elect conditional orders (e.g. stop orders) or otherwise affect orders in the regular market.

4. Block Trade Minimum Quantities for Outrights, Spreads and Combinations

The block trade minimum quantity requirements for outright futures and options are set forth in the list of block trade eligible products in Section 10 of this Advisory Notice. Additional information with respect to spreads and combinations executed as blocks appears below.

a) Intra-Commodity Futures Spreads and Futures Combinations

i) All Products Excluding U.S. Treasury, OTR Treasury Yield, Interest Rate Swap and GSCI Futures

Intra-commodity futures spreads and futures combinations may be executed as block trades provided that the ***sum*** of the quantities of the legs meets the minimum block quantity threshold. For example, 2,000 Eurodollar future calendar spreads executed during RTH hours would meet the Eurodollar futures minimum quantity requirement of 4,000 contracts.

ii) U.S. Treasury, OTR Treasury Yield and Interest Rate Swap Futures

Intra-commodity calendar spread block trades are prohibited in CBOT U.S. Treasury futures, OTR Treasury Yield and Interest Rate Swap futures. Parties may not execute contingent block trades in outright contracts to circumvent the prohibition on the execution of block trades in intra-commodity calendar spreads. Additionally, Tandem spreads may not be executed as block trades.

iii) GSCI Futures

In GSCI futures and GSCI Excess Return Index futures the block trade minimum is 300 contracts for each leg of the spread or combination. For example, the minimum quantity for a GSCI calendar spread would require 300 contracts in each leg of the spread for a total of 600 contracts while a GSCI futures butterfly would require a minimum volume of 1,200 contracts.

b) Inter-Commodity Futures Spreads

i) Short Term Interest Rate Futures

In Short Term Interest Rate futures (Eurodollars, Eurodollar E-minis, Euribor, T-Bills, OIS, One-Month Eurodollar, Euroyen and 30-Day Fed Funds), inter-commodity futures spreads may be executed as block trades provided that the ***sum of the legs of the spread*** meets the ***larger*** of the threshold requirements for the underlying products. For example, the minimum quantity thresholds for One-Month Eurodollar and Eurodollars during ETH are 200 and 2,000 contracts, respectively. Therefore, a block trade in the One-Month Eurodollar/Eurodollar spread can be executed provided that the sum of the legs is at least 2,000 contracts.

ii) U.S. Treasury, OTR Treasury Yield, Interest Rate Swap and 10-Year Sovereign Yield Spread Futures

In U.S. Treasury, OTR Treasury Yield, Interest Rate Swap and 10-Year Sovereign Yield Spread futures, inter-commodity futures spreads may be executed as block trades provided that ***each leg of the spread*** meets the minimum threshold requirement for the respective underlying products. For example, the minimum quantity thresholds for 10-Year Notes and U.S. Treasury Bonds during RTH are 5,000 and 3,000 contracts, respectively. Therefore, a block trade in the NOB spread (10-Year Note/Treasury Bond spread) can be executed only if the minimum quantity of the 10-Year Note leg of the spread is at least 5,000 contracts and the minimum quantity of the Treasury Bond leg of the spread is at least 3,000 contracts.

iii) All Other Products

In all other block-eligible products, inter-commodity futures spreads may be executed as block trades provided that the quantity of ***each leg of the spread*** meets the ***larger*** of the threshold requirements for the underlying products.

c) Intra-Commodity Option Spreads and Combinations

Intra-commodity option spreads and combinations may be executed as block trades provided that the quantity of ***each leg of the spread*** meets the designated minimum quantity threshold.

d) Inter-Commodity Option Spreads and Combinations

Inter-commodity option spreads and combinations may be executed as block trades provided that the quantity of ***each leg of the spread*** meets the ***larger*** of the threshold requirements for the underlying products.

e) Options/Futures Spreads

In general, options/futures spreads may be executed as block trades provided that the options component of the spread meets the minimum quantity threshold for the outright option or option combination and the quantity of futures executed is consistent with the delta of the options component of the spread. An exception applies to Weather and Housing options/futures spreads, where the legs of the spread may be summed to meet the 20-contract minimum threshold.

5. Block Trade Reporting Requirements

a) Time Requirements

i) All Block Trades Excluding Interest Rates Outside of RTH and Weather and Housing at all Times

Block trades must be reported to the Exchange by the seller within **five minutes** of the transaction.

ii) Interest Rate Block Trades Outside of RTH

Block trades executed during ETH or ATH must be reported to the Exchange by the seller within **fifteen minutes** of the transaction. For purposes of interest rate block trades, RTH, ETH and ATH are defined in Section 10 of this Advisory Notice.

iii) Weather and Housing Block Trades

Block trades must be reported to the Exchange by the seller within **fifteen minutes** of the transaction.

b) Reporting Methods

Block trades must be reported to the Exchange via one of the following methods.

i) Globex Control Center ("GCC")

All block trades (except for block trades in Weather futures and options executed between 8:00 a.m. and 3:30 p.m. Chicago time, Monday – Friday on regular business days – see subsection iv below) may be reported to the GCC. The seller reports the trade by calling the GCC at **312.456.2391**. When the GCC is closed – for example, during the weekend – the block trade must be reported no later than five minutes prior to the opening of the next electronic trading session for that product.

ii) CME ClearPort

Block trades may be electronically reported directly to CME Clearing via CME ClearPort. For information on reporting block trades through CME ClearPort, please contact customer service at 1.800.438.8616 or via email at ClearPort@cmegroup.com.

iii) Weather Blocks on CME Clearing360 via Pivot Instant Markets

Block trades in Weather futures and options may be electronically reported directly to CME Clearing360 via Pivot Instant Markets by eligible inter-dealer brokers. For additional information on reporting block trades via Pivot Instant Markets, please contact Angie DiCarlo, Associate Director, CME Group Alternative Investments at 312.930.4515 or via email at Angie.DiCarlo@cmegroup.com.

iv) Weather Block Trades Executed Between 8:00 a.m. and 3:30 p.m.

Block trades in Weather futures and options executed between 8:00 a.m. and 3:30 p.m. Chicago time, Monday – Friday on regular business days should be reported to Exchange staff by calling 312.648.3935 or 312.648.3936.

When reporting a block trade, the following information will be required:

- Name and phone number of the clearing firm representative reporting the trade (unless the block trade is electronically reported);
- Buyer's clearing firm and seller's clearing firm;
- Contract, contract month and contract year for futures;
- Contract, contract month, contract year, strike price and put or call designation for standard options, as well as the expiration date and exercise style for flex options;
- Quantity of the trade or, for spreads and combinations, the quantity of each leg of the trade;
- Price of the trade or, for spreads and combinations, the price of each leg of the trade; and
- Execution time (in Central Time) of the trade (i.e. the time at which the trade was consummated).

6. Block Trade Submission Requirements to CME Clearing

Block trades reported to the GCC or Exchange staff as described in numbers i) or v) above must be submitted to CME Clearing through the Front-End Clearing ("FEC") User Interface via the portal under BLOCK entry. For block trades executed between 6:00 a.m. and 6:00 p.m. **Central Time**, firms must submit the trade within one hour. For block trades executed between 6:00 p.m. and 6:00 a.m. **Central Time**, firms must submit the trade no later than 7:00 a.m. **Central Time**.

Block trades are entered by both the buyer's and seller's clearing firm and go through a two-sided match process. Upon entry, confirmation records will be routed back to the firms for bookkeeping purposes. When reporting spread or combination transactions, each leg must be entered individually. The execution time is required to be entered and must be the actual time at which the transaction was consummated by the two parties, not the time at which the trade is reported by the parties to their respective firms. Thus, if the clearing member has not acted as either principal or agent in the transaction, it must ensure that its customer provides an accurate execution time.

A block trade in a block-eligible option may be executed up to and including the day on which an option contract expires for purposes of offsetting an open option position. The offsetting block trade must be reported to the GCC pursuant to the requirements of section 4 above, and the offset must be reported to CME Clearing no later than the Position Change Submission ("PCS") deadline on the day on which the option contract expires. The current PCS deadline is 7:30 p.m. Central Time.

7. Block Trade Recordkeeping

Complete order records for block trades must be created and maintained pursuant to Rule 536 and CFTC Regulations. However, as noted in Section 5, the time of execution of the block trade must also be recorded.

8. Dissemination of Block Trade Information

The date, execution time, contract details, price and quantity of block trades are reported upon receipt of the block information by GCC. Block trade information is reported on the MerQuote system and may be accessed by entering the code "BLK". The information will also be displayed on cmegroup.com at the following link: http://www.cmegroup.com/tools-information/blocktrades.html. Block trade information is also displayed on the trading floor.

Block trade prices are published separately from transactions in the regular market. Block trade volume is also included with other privately negotiated transactions in the daily volume reports published by the exchange.

9. Pre-Execution Communications

The prohibition on prearranged trading and the requirements related to pre-execution communications with respect to certain Globex trades set forth in Rule 539 do not apply to block trades.

10. CME & CBOT Block Trade-Eligible Products

For purposes of the interest rate products in the tables, the following times apply:

ETH: 12:00 a.m. – 7:00 a.m. CT, Monday through Friday on regular business days

RTH: 7:00 a.m. – 4:00 p.m. CT, Monday through Friday on regular business days

ATH: 4:00 p.m. – 12:00 a.m. CT, Monday through Friday on regular business days and at all times on weekends

CME Products	Futures	Options	Flex Options
Eurodollars (RTH)	4,000 contracts - or 1,000 contracts provided that a minimum of 1,000 contracts are transacted in yrs 6-10	10,000 contracts	Not Available
Eurodollars (ETH)	2,000 contracts – or 500 contracts provided that a minimum of 500 contracts are transacted in yrs 6-10	5,000 contracts	Not Available

CME Products	Futures	Options	Flex Options
Eurodollars (ATH)	1,000 contracts – or 250 contracts provided that a minimum of 250 contracts are transacted in yrs 6-10	2,500 contracts	Not Available
Eurodollar E-mini futures (RTH)	40,000 contracts	Not available	Not available
Eurodollar E-mini futures (ETH)	20,000 contracts	Not available	Not available
Eurodollar E-mini futures (ATH)	10,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(RTH)	2,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(ETH)	1,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(ATH)	500 contracts	Not available	Not available
3-Month OIS/Eurodollar spread (RTH)	4,000 contracts (all legs combined)	Not available	Not available
3-Month OIS/Eurodollar spread (ETH)	2,000 contracts (all legs combined)	Not available	Not available
3-Month OIS/Eurodollar spread (ATH)	1,000 contracts (all legs combined)	Not available	Not available
T-Bills (RTH)	100 contracts	Not available	Not available
T-Bills (ETH)	50 contracts	Not available	Not available
T-Bills (ATH)	25 contracts	Not available	Not available
Euroyen (RTH)	200 contracts	200 contracts	Not available
Euroyen (ETH)	100 contracts	100 contracts	Not available
Euroyen (ATH)	50 contracts	50 contracts	Not available
One-Month Eurodollar (RTH)	400 contracts	400 contracts	Not available
One-Month Eurodollar (ETH)	200 contracts	200 contracts	Not available

One-Month Eurodollar (ATH)	100 contracts	100 contracts	Not available
10-Year Sovereign Yield Spread	250 contracts	Not available	Not available
Three-Month Euribor	2,000 contracts (nearest 20 March quarterly cycle delivery months and non-March quarterly cycle delivery months) 500 contracts (farthest 20 March quarterly cycle delivery months)	Not available	Not available
Barclays Capital U.S. Aggregate Bond Index	50 contracts	Not available	Not available
Eurozone Harmonized Index of Consumer Prices (HICP)	50 contracts	Not available	Not available
S&P 500*	Not available	250 contracts	250 contracts
NASDAQ-100*	200 contracts - outrights only	100 contracts	100 contracts
S&P SmallCap 600, E-mini S&P SmallCap 600, E-mini NASDAQ Composite Index, E-mini S&P Select Sector Stock Index	50 contracts	Not available	Not available
E-mini S&P CNX Nifty Index	50 contracts	Not available	Not available
E-micro S&P CNX Nifty Index	250 contracts	Not available	Not available
CME Products	**Futures**	**Options**	**Flex Options**
TRAKRS Indexes	100,000 contracts	Not available	Not available
S&P MidCap 400*, S&P 500/Citigroup Growth, S&P 500/Citigroup Value, Nikkei 225	50 contracts	250 contracts	250 contracts
Custom Stock Index/SGI Wise US	50 contracts	Not Available	Not available
Goldman Sachs Commodity Index (GSCI), GSCI Excess Return Index	50 contracts for outrights – 300 contracts for each leg of a spread transaction	Not available	Not available
International Skimmed Milk Powder	20 contracts	Not available	Not available
EUR/USD 1-Month and 3-Month Realized Volatility	50 contracts	Not available	Not available
EUR/USD*, JPY/USD*	150 contracts	250 contracts	Not available
AUD/USD, CAD/USD, CHF/USD, GBP/USD, MXN/USD	100 contracts	250 contracts	Not available
EUR/GBP, EUR/CHF, EUR/JPY, NZD/USD, BRL/USD, CZK/USD, CZK/EUR, HUF/EUR, HUF/USD, ILS/USD, KRW/USD, PLN/USD, PLN/EUR, RMB/USD, RMB/EUR, RMB/JPY, RUB/USD, ZAR/USD, USD/TRY, EUR/TRY	50 contracts	250 contracts	Not available
AUD/CAD, AUD/JPY, AUD/NZD, CAD/JPY, CHF/JPY, EUR/AUD, EUR/CAD, EUR/NOK, EUR/SEK, GBP/JPY, GBP/CHF, NOK/USD, SEK/USD	50 contracts	Not available	Not available
Dow Jones CME FX$INDEX	50 contracts	Not available	Not available
Weather	20 contracts	20 contracts	Not available
Wood Pulp	25 contracts	25 contracts	Not available
Housing	20 contracts	20 contracts	Not available
U.S. Dollar Cash Settled Crude Palm Oil	10 contracts	Not available	Not available
Cheese	20 contracts	Not available	Not available

* NOT applicable to E-mini or E-micro FX or E-mini equity indexes except those listed above.

CBOT Products	Futures	Options	Flex Options
2-Year Treasury Notes (RTH)	**5,000 contracts****	**2,000 contracts**	**Same as Non-Flex Options**
2-Year Treasury Notes (ETH)	**2,500 contracts****	**1,000 contracts**	**Same as Non-Flex Options**
2-Year Treasury Notes (ATH)	**1,250 contracts****	**500 contracts**	**Same as Non-Flex Options**
3-Year Treasury Notes (RTH)	**5,000 contracts****	**Not available**	**Not available**
3-Year Treasury Notes (ETH)	**2,500 contracts****	**Not available**	**Not available**
3-Year Treasury Notes (ATH)	**1,250 contracts****	**Not available**	**Not available**
5- and 10-Year Treasury Notes (RTH)	**5,000 contracts****	**7,500 contracts**	**Same as Non-Flex Options**
5- and 10-Year Treasury Notes (ETH)	**2,500 contracts****	**3,750 contracts**	**Same as Non-Flex Options**
CBOT Products	**Futures**	**Options**	**Flex Options**
5- and 10-Year Treasury Notes (ATH)	**1,250 contracts****	**1,875 contracts**	**Same as Non-Flex Options**
U.S. Treasury Bonds (RTH)	**3,000 contracts****	**7,500 contracts**	**Same as Non-Flex Options**
U.S. Treasury Bonds (ETH)	**1,500 contracts****	**3,750 contracts**	**Same as Non-Flex Options**
U.S. Treasury Bonds (ATH)	**750 contracts****	**1,875 contracts**	**Same as Non-Flex Options**
Long-Term (Ultra) Treasury Bonds (RTH)	**2,000 contracts****	**Not available**	**Not available**
Long-Term (Ultra) Treasury Bonds (ETH)	**1,500 contracts****	**Not available**	**Not available**
Long-Term (Ultra) Treasury Bonds (ATH)	**750 contracts****	**Not available**	**Not available**
2-, 5- and 10-Year OTR Treasury Yield (RTH)	**2,000 contracts****	**Not available**	**Not available**
2-, 5- and 10-Year OTR Treasury Yield (ETH)	**1,000 contracts****	**Not available**	**Not available**
2-, 5- and 10-Year OTR Treasury Yield (ATH)	**500 contracts****	**Not available**	**Not available**
30-Day Fed Funds (RTH)	**2,000 contracts**	**1,500 contracts**	**Same as Non-Flex Options**
30-Day Fed Funds (ETH)	**1,000 contracts**	**750 contracts**	**Same as Non-Flex Options**
30-Day Fed Funds (ATH)	**500 contracts**	**375 contracts**	**Same as Non-Flex Options**
5-, 7-, 10- and 30-Year Interest Rate Swaps (RTH)	**2,000 contracts**	**500 contracts**	**Not available**
5-, 7-, 10- and 30-Year Interest Rate Swaps (ETH)	**1,000 contracts**	**500 contracts**	**Not available**
5-, 7-, 10- and 30-Year Interest Rate Swaps (ATH)	**500 contracts**	**500 contracts**	**Not available**
Dow Jones-UBS Commodity Index Excess Return	**300 contracts**	**Not available**	**Not available**
Dow Jones U.S. Real Estate Index	**50 contracts**	**Not available**	**Not available**
Ethanol	**10 contracts**	**10 contracts**	**Not available**
Distillers' Dried Grain	**10 contracts**	**Not available**	**Not available**

Black Sea Wheat	**10 contracts**	**Not available**	**Not available**

** Block trading of intra-commodity Treasury, OTR Treasury Yield and Interest Rate Swap futures calendar spreads is prohibited.

11. Contact Information

Questions regarding this advisory may be directed to the following individuals:

Market Regulation:	Colin Garvey, Investigations	312.435.3656
	Robert Sniegowski, Rules & Regulatory Outreach	312.341.5991
	Erin Schwartz, Rules & Regulatory Outreach	312.341.3083
CME Clearing:	CME Clearing Support	312.207.2525

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

12. Text of CME & CBOT Rule 526

Rule 526 BLOCK TRADES

The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

A. A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve the minimum transaction size, except by those entities described in Sections I. and J.

B. Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act.

C. A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.

D. The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.

E. Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

F. **CME -** The seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution; except that block trades in interest rate futures and options executed outside of Regular Trading Hours (7:00 a.m. – 4:00 p.m. Central Time, Monday – Friday on regular business days) and Housing and Weather futures and options must be reported within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.

F. **CBOT -** The seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution; except that block trades in interest rate futures and options executed outside of Regular Trading Hours (7:00 a.m. – 4:00 p.m. Central Time, Monday – Friday on regular business days) must be reported within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.

G. Block trades must be reported to the Clearing House in accordance with an approved reporting method.

H. Clearing members and members involved in the execution of block trades must maintain a record of the transaction in accordance with Rule 536.

I. A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such advisors have total assets under management exceeding $25 million and the block trade is suitable for the customers of such advisors.

J. A foreign Person performing a similar role or function to a CTA or investment advisor as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such Persons have total assets under management exceeding $25 million and the block trade is suitable for the customers of such Persons.