



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

March 13, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Regulation § 40.6 Self Certification: Adjustment to Trading Hours for CBOT Grain and Oilseed Futures and Options
CBOT Submission 13-092**

Dear Ms. Jurgens:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") pursuant to Commodity Futures Trading Commission ("Commission") Regulation 40.6 hereby notifies the Commission that it intends to adjust the electronic and floor trading hours for CBOT Grain and Oilseed futures and options contracts. The Exchange plans for these changes to become effective **Sunday, April 7, 2013 for the Monday, April 8, 2013 trading date.**

ELECTRONIC HOURS

Current	Proposed
Sunday to Friday, 5:00 p.m. to 2:00 p.m. CT	Sunday to Friday, 7:00 p.m. to 7:45 a.m. CT Monday to Friday, 8:30 a.m. to 1:15 p.m. CT ¹

FLOOR HOURS

Current	Proposed
Monday to Friday, 9:30 a.m. to 2:00 p.m. CT	Monday to Friday, 8:30 a.m. to 1:15 p.m. CT

Affected markets include CBOT Corn, Wheat, Soybean, Soybean Oil, Soybean Meal, Oats, Rough Rice, Mini-Sized Corn, Mini-Sized Wheat, Mini-Sized Soybeans, and all related calendar spread options and inter-commodity spread options. In addition, as a result of these changes, settlement times for these products will move from 2:00 p.m. CT to 1:15 p.m. CT.

In May 2012, the Exchange extended electronic trading hours in CBOT grain and oilseed futures and options to continuous trade from 5:00 p.m. to 2:00 p.m. CT Sunday through Friday.

¹ To maintain the traditional mini- to full-sized trading hours, both electronic and floor hours for CBOT Mini-Sized Corn, Soybean, and Wheat futures will close daily at 1:45 p.m. CT.

In June 2012, the Exchange extended afternoon floor hours for these products and moved settlement to 2:00 p.m. CT Monday through Friday.

In January and February 2013, the Exchange reached out to a broad cross-section of market participants and conducted a comprehensive survey to ascertain how the extended hours are meeting customer needs. The changes in hours documented in this certification are the result of this outreach.

The Exchange conducted a comprehensive survey on trading hours from January 22 through January 31, with over 4,000 participants representing a broad cross-section of the grain and oilseed trade. The results of the survey indicated that most market participants preferred that trading hours be changed. Of the participants recommending hours be changed, there was strong support for an earlier close. A majority of respondents showed support for a morning pause in trading; and there was also strong support for a later overnight trade opening. The new proposed hours meet the broad preferences voiced by a majority of survey participants, while continuing to provide ample opportunity for the global grain and oilseed community to manage price risk during periods of significant market liquidity.

Survey participants also voiced overwhelming support for settlements and market close to occur at the same time. This is also consistent with the commercial grain industry that has built certain business practices around this concept of settlement and close occurring simultaneously. In response to these preferences, to align the floor close with the electronic close, and to facilitate the use of both in calculation of the settlement price, the Exchange plans to determine settlement prices consistent with the new market close time of 1:15 p.m.

While we felt the survey provided us guidance at a high level as to the views of our customers, surveys are limited in the information they can communicate. For that reason we engaged in significant outreach to customers directly as to their views. Additionally we engaged some industry groups like the NGFA for input, and received significant feedback directly from industry participants. All of this information was used in the decision making process.

CBOT business staff and the CBOT legal department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the CEA. During the review, CBOT staff identified that the proposed changes may impact the following Core Principles:

- Monitoring of Trading – The Exchange’s market regulation staff will not be impacted and will continue to monitor all market participants to prevent manipulative trading and market abuse.
- Compliance with Rules – All trading hours will continue to be subject to the full range of trade practice rules in the CBOT Rulebook Chapters, including all monitoring, surveillance, and enforcement provisions.
- Execution of Transactions – Reduced trading hours and a new settlement time does not impact the Exchange’s order execution, which will continue in the same manner as before.
- Protection of Market Participants – Chapter 4 of the Exchange Rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. These rules will continue to apply regardless of the trading hours and/or settlement time.
- Recordkeeping – All trading, regardless of time, will continue to be subject to the Exchange’s record retention policies which comply with the CEA.

The Exchange has discussed these proposed changes with a broad cross section of market participants and has considered the substantive opposing views expressed during those conversations. A list of the substantive opposing views that were considered by the Exchange when making the hours change are set out below:

- Morning trading pause between 7:45 a.m. and 8:30 a.m. –
 - Certain customers expressed a desire to have no trading pause in the belief that no pause serves to facilitate more business. Smaller commercial customers value the ability to access

the market earlier in the morning as this is a time when producers sell grains. The proposed morning pause strikes a balance between the majority of customers who want a break and those who do not by offering a shorter, 45-minute break.

- Market close and settlement at 1:15 pm
 - Certain customers expressed a desire to have longer trading hours in the belief that longer hours serve to facilitate more business. As noted above, the results of our survey indicated that most market participants preferred that trading hours be changed. Of the participants recommending hours be changed, there was strong support for an earlier close. As there was no absolute consensus on a specific time we felt it was best to move it back to a time most familiar to market participants.

- Electronic Market Opening at 7:00 pm Sunday-Thursday
 - There was a diversity of views as to what time to open in the evening -- some participants preferred the current 5:00 p.m. open during the weekday and being able to execute orders prior to leaving the office for the day. As noted above, in our survey, there was strong support for a later overnight trade opening. A majority expressed a preference for consistent opening times on Sunday and on weekdays.

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>.

One CBOT rule was determined to be affected by a change in grain and oilseed settlement times regarding strike bound delivery facilities and the times that bids may be tendered for buying back outstanding shipping certificates. These bids are based on settlement prices, so the time period for which these bids may be tendered must be adjusted to conform with the new settlement time. There are currently no outstanding shipping certificates at strike bound facilities, so this rule change has no market impact. Exhibit 1 sets forth the amendments to Rule 703.B with additions underlined and deletions overstruck.

If you require any additional information regarding this action, please contact me at 212-299-2200 and reference CBOT Submission 12-092 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit 1

EXHIBIT 1

The following CBOT Rulebook changes with deletions ~~struck through~~ and additions underlined.

703.B. Strike Bound Facility

A regular facility or an owner of shipping certificates can make delivery in a strike bound facility. The taker of delivery is liable for all premium charges. However, where the owner of shipping certificates in a strike bound facility delivered against futures contracts has a bona fide bid for like certificates in a strike free facility and decides to load the grain out or sell his certificates, the strike bound warehouseman has the option:

- (a) to provide that same quantity and like quality of grain in store in another regular facility, not on strike, in the same delivery market, or
- (b) to provide that same quantity and like quality of grain in store at another location on mutually acceptable terms. If no initial agreement can be reached, the strike bound warehouseman must buy his shipping certificates back at the bid price in store for that same quantity and like quality of grain in a strike free facility in the same delivery market or he has the alternative of proceeding as in (a) above. The bid (which must be a basis bid versus futures settlement) referred to in this paragraph must be good for a minimum period of one hour and must be tendered in writing to the strike bound warehouseman between ~~2:15 p.m.~~ market close and 4:30 p.m. on a business day. The warehouseman must respond to the bid within the time period during which the bid is alive.

Within the context of this rule, a strike bound warehouse is defined as the facility itself being on strike.