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SPECIAL EXECUTIVE REPORT

S-3968

June 23, 2003

ADDITIONAL STRIKES TO BE ADDED FOR OPTIONS ON BRITISH POUND FUTURES TRADED ON THE EXCHANGE FLOOR, EFFECTIVE MONDAY, JUNE 23, 2003

Effective Monday, June 23, 2003, under the CFTC exchange certification procedure, additional strikes will be listed for British pound options traded on the Exchange floor. There will be no change in strike listings for British pound options traded on GLOBEX®. Recently, there has been interest in these additional listings. For British pound options traded on the floor, the Exchange will now list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract and the next eighteen higher and the next eighteen lower regular exercise prices. Previously, the Exchange listed put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract and the next twelve higher and the next twelve lower regular exercise prices. The amendments are as follows, with additions underlined and deletions bracketed and overstruck.

251A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on British pound sterling futures, the Exchange shall list put and call options at the next ~~[twelve]~~ eighteen higher and next ~~[twelve]~~ eighteen lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the ~~[twelfth]~~ eighteenth highest or ~~[twelfth]~~ eighteenth lowest existing regular exercise prices for options on British pound sterling futures put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[Remainder of rule is unchanged.]

If you have any questions, please contact Mr. Scott Brusso, Director, Foreign Exchange Products, at (312) 930-3133, or Mr. Steven Youngren, Associate Director, Financial Product Development, at (312) 930-4583.