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SPECIAL EXECUTIVE REPORT

S-3992

September 10, 2003

BOARD STEERING COMMITTEE APPROVES CHANGES TO BANDING LEVELS FOR CME GLOBEX® FUTURES PRODUCTS, EFFECTIVE SUNDAY, SEPTEMBER 14, 2003

On Monday, September 8, 2003, the Board Steering Committee approved changes to the banding levels for CME GLOBEX® futures products. Price banding represents a function of GLOBEX which may be applied to filter errant price-based orders before acceptance on the system. Banding is a routine which scans price-based orders, rejecting any buy orders above the CME Last Price PLUS a fixed band value or, any sell orders below the CME Last Price LESS a fixed band value. The band applied to all outright CME products will now equal two times (2x) the no-bust range for that product as a standard default. However, specific market requirements, such as volatility, may necessitate different bands on some products.

The band applied to spreads on CME products will equal the unadjusted no-bust range. However, the band for interest rate spreads will equal two times (2x) the no-bust range (the same band as for outright interest rate products) and the band for equity spreads will remain at its current level. This policy change is being implemented to more effectively prevent errant price-based orders from being accepted on GLOBEX. The table below shows the current no-bust ranges for CME products traded on GLOBEX and the new price banding levels. These changes will be implemented on Sunday, September 14, 2003, for the trade date of Monday, September 15, 2003.

CME GLOBEX ERROR TRADE POLICY

GLOBEX Error Trade Tick Range List

<u>Futures Contract</u>	<u>No Bust Range</u>	<u>+/- Band for Outrights</u>	<u>+/- Band for Spreads</u>
Eurodollar	5 basis points or less	10 basis points or less	10 basis points or less
Libor	5 basis points or less	10 basis points or less	10 basis points or less
T-Bills	5 basis points or less	10 basis points or less	10 basis points or less
Fed Fund "Turn"	50 basis points or less	100 basis points or less	100 basis points or less
Agency Notes	16 ticks or less	32 ticks or less	32 ticks or less
Swaps	5 basis points or less	10 basis points or less	10 basis points or less
TIIE and CETES	30 ticks or less	60 ticks or less	60 ticks or less

Currency Futures (except British pound)	20 ticks or less	60 ticks or less	20 ticks or less
British Pound Futures*	15 ticks or less	30 ticks or less	15 ticks or less
S&P 500 and E-mini S&P 500	6.00 index points or less	12.00 index points or less	0.50 Index Points
S&P/BARRA Growth	4.00 index points or less	8.00 index points or less	0.50 Index Points
S&P/BARRA Value	4.00 index points or less	8.00 index points or less	0.50 Index Points
S&P MidCap 400 and E-mini S&P MidCap 400	3.00 index points or less	6.00 index points or less	0.50 Index Points
<u>Futures Contract</u>	<u>No Bust Range</u>	<u>+/- Band for Outrights</u>	<u>+/- Band for Spreads</u>
S&P SmallCap 600	3.00 index points or less	6.00 index points or less	0.50 Index Points
Russell 2000 and E-mini Russell 2000	3.00 index points or less	6.00 index points or less	0.50 Index Points
Russell 1000	3.00 index points or less	6.00 index points or less	0.50 Index Points
Nasdaq-100 and E-mini Nasdaq-100	20.00 index points or less	40.00 index points or less	0.50 Index Points
Fortune e-50	6.00 index points or less	12.00 index points or less	0.50 Index Points
S&P TOPIX 150	3.00 index points or less	6.00 index points or less	0.50 Index Points
S&P 500 Technology SPCTR	3.00 index points or less	6.00 index points or less	0.50 Index Points
S&P 500 Financial SPCTR	3.00 index points or less	6.00 index points or less	0.50 Index Points
Long-Short Technology TRAKRS Index	10 cents or less	25%	NA
Select 50 TRAKRS Index	10 cents or less	25%	NA
LMC TRAKRS Index	10 cents or less	25%	NA
Commodity TRAKRS Futures	10 cents or less	25%	NA
Euro Currency TRAKRS Futures	10 cents or less	25%	NA
Goldman Sachs Commodity Index	1.50 index points or less	3.00 index points or less	1.50 index points or less
CME Degree Days Index	10.00 index points or less	20.00 index points or less	10.00 index points or less
Lean Hogs	\$0.0097 per pound or less	NA	NA
Live Cattle	\$0.0097 per pound or less	NA	NA
Feeder Cattle	\$0.0097 per pound or less	NA	NA
NYMEX Light Sweet Crude Oil e-miNY	6 ticks or less	12 ticks or less	NA
NYMEX Natural Gas e-miNY	6 ticks or less	12 ticks or less	NA
<u>Combination Trades</u>			
All Eurodollar Combinations	5 basis points or less	NA	10 basis points or less
Intra-Commodity (non-ED) Futures Spreads	5 ticks or less	NA	10 ticks or less
Inter-Commodity (non-ED) Futures Spreads	the wider of the no bust ranges of the two individual legs	NA	the wider of the no bust ranges of the two individual legs

* Please note that currently the British pound is traded in 2 points increments, meaning 2 points are equal to 1 tick. The current no-bust range is 15 ticks or 30 points. The British pound will be traded in 1 point increments effective Sunday, October 5, 2003 for the trade date Monday, October 6, 2003. This translates into 30 points which is 30 ticks for the no-bust range. When this change becomes effective, the +/- band for British pound outright will become 60 ticks or less and the +/- band for British pound spreads will become 30 ticks or less.

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If you have any questions, please contact Mr. Maz Chadid, Managing Director, Trading Floor Operations, at (312) 930-8246 or Lori Aldinger, Sr. Market Analyst, Financial Product Development, at (312) 930-2337.