

BOARD APPROVES HALF-STRIKE LISTING RULE AMENDMENT FOR EURODOLLAR OPTIONS

At its Regular Meeting on Tuesday, June 3, 2003, the Board of Directors approved the amendment of the half-strike listing rule for Eurodollar options.

Current strike listing procedure for Eurodollar options calls for strike listings at intervals of 25 basis points, e.g. 98.50, 98.75, 99.00. Additional strikes at "half-strikes" of 12.5 basis points above and below the at-the-money strike are listed for the options with the nearest quarterly Eurodollar futures as the underlying instrument. As such, the nearest quarterly options as well as up to two serial options are eligible for the half-strike listings.

Under the amended rules, the two nearest serial option contract months and the two nearest quarterly option contract months are eligible for half-strike listings at all time. The strike listing rules for Mid-Curve options shall remain unchanged.

The revised listing rules shall become effective on the trade date of June 16, 2003. The rule amendments are noted below with deletions bracketed and overstruck and additions underlined.

CHAPTER 452A – OPTIONS ON THREE-MONTH EURODOLLAR FUTURES

452A01.E. Exercise Prices

2. Special Listings of 12.5 Point Exercise Prices

Additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("twelve and a half point exercise prices") for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875, etc.

For ~~the two~~ two nearest options in the March Quarterly cycle and two nearest options not in the March Quarterly cycle ~~[having the same underlying futures contract]~~, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of the ~~[spot month Options in the March Quarterly Cycle]~~ last contract month in the same listing cycle. For the nearest options in the March Quarterly cycle and two nearest options not in the March Quarterly cycle 1-Year MidCurve options, and the nearest options in the March Quarterly cycle 2-year MidCurve options, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of last contract month in the same listing cycle. The Exchange shall list put and call options at the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract month and the 12.5 point exercise price above and the 12.5 point exercise price below the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract.

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

[The remainder of chapter 452A remains unchanged.]

If you have any questions, please contact Mr. Richard Co, Research and Product Development, at (312) 930-3227, or Mr. Larry Grannan, Interest Rate Marketing, at (312) 454-8312.