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Special Executive Report

S-4058

February 2, 2004

NEW 2004 CME\$INDEX™ CURRENCY WEIGHTS AND ADJUSTMENT FACTOR EFFECTIVE MONDAY, FEBRUARY 2, 2004

As you were previously notified in Special Executive Report S-4042 dated December 23, 2003, the Board of Governors of the U.S. Federal Reserve System (Fed) has issued revised currency weights as of Tuesday, December 16, 2003. As per Exchange rules, CME is adopting the new weights for the CME\$INDEX today (the first trading day of the second calendar month after the revision). Currency weights are often revised by the Fed during the beginning of each calendar year, but can also be revised at any time throughout the year.

CME\$INDEX Currency Weights		
Country or Region/Currency	2003 Weights (%)	New 2004 Weights (%)
European Union/euro	42.2782	44.7531
Japan/yen	29.9536	23.0915
United Kingdom/pound	8.4604	16.4595
Switzerland/franc	8.2871	5.3834
Australia/dollar	4.6461	3.5775
Canada/dollar	4.2086	2.8578
Sweden/krona	2.1660	3.8772

The exchange rate of each currency within the Index has been assigned with a specific weight that reflects the relative competitiveness of U.S. goods in foreign markets. These weights capture the effect of global competition and are based on a set of competitive weights published by the Fed. The weights above have been rounded to the fourth decimal place (0.0001%) and the sum of the currency weights in the Index will always total 100 percent.

In addition, the adjustment factor (multiplier B_t for the Index formula which changes when the currency weights change to ensure index continuity) was calculated on the last day of trading for the CME\$INDEX of the previous month (January 2004) using the following formula:

$$B_{2004} = B_{2003} \div \frac{\prod_{i=1}^7 (1/S_{i, Jan 30, 2004})^{w_{i, Feb 2, 2004}}}{\prod_{i=1}^7 (1/S_{i, Jan 30, 2004})^{w_{i, Jan 30, 2004}}} \quad \text{where } S_{it} \text{ is the exchange rate of currency } i \text{ at time } t, \text{ expressed in}$$

dollars per unit of foreign currency, and w_{it} is the weight of currency i at time t .

The value of the new multiplier (rounded to 10 decimal places) is 34.2242948993 and was calculated using closing spot exchange rates from Friday, January 30, 2004. The previous adjustment factor was 24.0565816671.

If you have any questions, please contact Mr. Sayee Srinivasan, Associate Director, Financial Product Development, at (312) 454-5205 or Mr. Steven Youngren, Associate Director, Financial Product Development, at (312) 930-4583.