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Special Executive Report

S-4088

May 12, 2004

EXPANSION OF EURODOLLAR OPTIONS STRIKE RANGE, EFFECTIVE THURSDAY, MAY 13, 2004

Effective Thursday, May 13, 2004, the strike price range will be expanded for all Eurodollar options (including Mid-Curve and 5-Year Bundle options). Recently, there has been interest in these additional listings. At the start of trading in a contract expiration, 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 all eligible exercise prices in a range of 5.50 IMM Index points above and below the exercise price that is nearest the futures price. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the exercise price nearest the previous day's settlement price.

Previously, the Exchange listed Eurodollar put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract and all eligible exercise prices in a range of 1.75 IMM Index points above and below the exercise price that is nearest the futures price for contract expirations whose expiration date is up to and including 12 months away, 2.00 IMM Index points above and below the exercise price that is nearest the futures price for contract expirations whose expiration date is more than 12 months up to and including 15 months away and 2.50 IMM Index points above and below the exercise price that is nearest the futures price for contract expirations whose expiration date is more than 15 months away.

The rule language to effect these changes can be found below with additions underlined and deletions bracketed and overstruck.

If you have any questions, please contact Mr. Maz Chadid, Managing Director, Trading Operations, at (312) 930-8246, or Mr. Richard Co, Director, Financial Research, at (312) 930-3227.

CHAPTER 452A OPTIONS ON THREE-MONTH EURODOLLAR FUTURES

452A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices

Exercise prices shall be stated in terms of the IMM Index for the Eurodollar Time Deposit futures contract that is deliverable upon exercise of the option and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 ("twenty-five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75, etc. For 5-Year bundle options, exercise prices shall be stated as in terms of the average price of the futures contracts in the underlying bundle.

For Options in the March Quarterly Cycle, Options Not in the March Quarterly Cycle, 5-Year Bundle Options and One-Year, Two-Year and Fifth-Year Mid-Curve Options

At the commencement of trading in a contract expiration, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the respective underlying futures contract. All eligible exercise prices in a range of 5.50 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the exercise price nearest the previous day's settlement price. New options may be listed for trading up to and including the termination of trading.

[For Options in the March Quarterly Cycle, Options Not in the March Quarterly Cycle and 5-Year Bundle Options

At the commencement of trading in a contract expiration, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the respective underlying futures contract. For contract expirations whose expiration date is up to and including 12 months away, all eligible exercise prices in a range of 1.75 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 1.75 IMM Index points above and 1.75 IMM Index points below the exercise price nearest the previous day's settlement price. For contract expirations whose expiration date is more than 12 months up to and including 15 months away, all eligible exercise prices in a range of 2.00 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.00 IMM Index points above and 2.00 IMM Index points below the exercise price nearest the previous day's settlement price. For contract expirations whose expiration date is more than 15 months away, all eligible exercise prices in a range of 2.50 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.50 IMM Index points above and 2.50 IMM Index points below the exercise price nearest the previous day's settlement price. New options may be listed for trading up to and including the termination of trading.

For One-Year, Two-Year and Fifth-Year Mid-Curve Options

At the commencement of trading in a contract expiration, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the respective underlying futures contract. All eligible exercise prices in a range of 2.50 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.50 IMM Index points above and below the exercise price nearest the previous day's settlement price. New options may be listed for trading up to and including the termination of trading.]