



Special Executive Report

20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.1000 tel/
312/466.4410 fax

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I. CME PACIFIC RIM INDEX WEATHER FUTURES AND OPTIONS BEGIN TRADING MONDAY, JULY 26, 2004

CME will launch Pacific Rim Index Weather futures and options contracts on Monday, July 26, 2004. The following contracts will be listed for trading:

- Monthly Index – August 2004, September 2004, October 2004, November 2004, December 2004, January 2005, February 2005, March 2005, April 2005, May 2005, June 2005, July 2005
- Seasonal Winter Index– December 2004-March 2005 (Winter Season)
- Seasonal Summer Index – July 2005-September 2005 (Summer Season)

CME Pacific Rim Index Weather futures will trade exclusively on GLOBEX®.

II. SPECIFICATIONS AND RULES FOR CME PACIFIC RIM INDEX WEATHER CONTRACTS

CME PACIFIC RIM INDEX FUTURES CONTRACT

Contract Size:	¥250,000 (Japanese Yen) times the respective Pacific Rim Index
Quotation:	Index Point
Index:	Monthly Average Temperature In Degree Centigrade (° C)
Minimum Price Increment:	.01 Index Point
Tick Value:	.01 Point = ¥2,500 (Japanese Yen)
Price Bands:	50 Index points (plus or minus) around “CME Last Price” equating to a maximum exposure of ¥125,000 (Japanese Yen) per contract
Months Traded:	August, September, October, November, December, January, February, March, April, May, June, July
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least two calendar days after the futures contract month
Ticker Symbol:	D6=Tokyo D7=Osaka
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective Japanese Index reported by Earth Satellite Corporation for that contract month, on the first Exchange business day that is at least two calendar days after the futures contract month.
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME PACIFIC RIM INDEX FUTURES CONTRACT

Contract Size:	1 CME Pacific Rim Index futures contract
Quotation:	Index Point
Index:	Monthly Average Temperature in Degree Centigrade (° C)
Minimum Price Increment:	.01 Index Point
Tick Value:	.01 Point = ¥2,500 (Japanese Yen)
Daily Price Limits:	None
Months Traded:	August, September, October, November, December, January, February, March, April, May, June, July
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	O6=Tokyo O7=Osaka
Strike Price Interval:	.01 Index Points, e.g. 22.01, 22.02, 22.03 etc.
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 futures equivalent contracts net long or net short in all contract months combined
Trading Hours:	8:30 A.M. to 3:15 P.M. (9:00 A.M. on LTD)

The text of the contract rules for CME Pacific Rim Index futures and options is as follows:

CHAPTER 411
CME PACIFIC RIM INDEX FUTURES

41100. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on individual CME Pacific Rim Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41101. COMMODITY SPECIFICATIONS

1. Daily Average Temperature

The daily average temperature is defined as the arithmetic average of the hourly temperatures accumulated over a twenty-four (24) hour period as reported by Earth Satellite Corporation using data received from the Japan Meteorological Agency for each of the following meteorological stations:

- Osaka, Japan (WMO 47772): Between 0100 and 2400 JST the current day.
- Tokyo, Japan (WMO 47662): Between 0100 and 2400 JST the current day.

2. The Pacific Rim Indexes

Each particular CME Pacific Rim Index is the arithmetic average of like daily average temperatures over a calendar month. The accumulation period of each CME Pacific Rim Index futures contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

41102. FUTURES CALL

41102.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and in such months as may be determined by the Board of Directors.

41102.B. Size of Trading Unit

The size of the unit of trading shall be ¥250,000 (Japanese Yen) times the respective CME Pacific Rim Index.

41102.C. Price Increments

The minimum price fluctuation of each respective CME Pacific Rim Index futures contract shall be .01 index point and have a value of ¥2,500 (Japanese Yen).

41102.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For positions involving options on the respective CME Pacific Rim Index futures, this rule is superseded by the option speculative position limit rule.

41102.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41102.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

41102.G. Termination of Trading

Futures trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least two calendar days after the futures contract month.

41102.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of each CME Pacific Rim Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

41102.I. [Reserved]

41103. SETTLEMENT PROCEDURES

41103.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Pacific Rim Index reported by the Earth Satellite Corporation for that contract month, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the futures contract month. For example, on June 4, 2003, the May 2003 futures contract on the Osaka Index would have been settled at 20.18 degrees.

41103.B. Final Settlement

Clearing members holding open positions in a CME Pacific Rim Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

41104. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

41105. - 06. [RESERVED]

(End Chapter 411)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 411**

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**CHAPTER 411A
OPTIONS ON CME PACIFIC RIM INDEX FUTURES**

411A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME Pacific Rim Indexes futures contracts. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

411A01. OPTION CHARACTERISTICS

411A01.A.Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

411A01.B.Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME Pacific Rim Index futures contract as specified in Chapter 411.

411A01.C.Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME Pacific Rim Index. Each index point represents ¥2,500 Japanese Yen. For example, a quote of 2 index points represents ¥5,000 Japanese Yen. The minimum fluctuation shall be .01 index point (also known as one tick), equal to ¥2,500 Japanese Yen.

411A01.D.[Reserved]

411A01.E.Exercise Prices

Exercise prices shall be stated in terms of the respective CME Pacific Rim Index futures contract. Eligible exercise prices are at intervals of .01 CME Pacific Rim Index point (e.g. 15.01, 15.02, 15.03, etc.).

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of .01 index point in a range of .01 to 40 index points upon demand evidenced in the options pit.

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

411A01.F.Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purposes of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

411A01.G.Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

411A01.H.Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

411A01.I.Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

411A01.J.Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

411A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of CME Pacific Rim Indexes options.

411A02.A.Exercise of Option by Buyer

An option with European-style exercise may be exercised by the buyer only on the day that the option expires. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to its expiration date shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

411A02.B.Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

411A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 411A)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 411A

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

CME PACIFIC RIM SEASONAL INDEX FUTURES CONTRACT

Contract Size:	¥250,000 (Japanese Yen) times the respective Pacific Rim Seasonal Index
Quotation:	Index Point
Index:	Seasonal Average Temperature in Degree Centigrade (° C)
Minimum Price Increment:	.01 Index Point
Tick Value:	.01 Point = ¥2,500 (Japanese Yen)
Price Bands:	50 Index points (plus or minus) around “CME Last Price” equating to a maximum exposure of ¥125,000 (Japanese Yen) per contract
Season Traded:	July – September (Summer) December – March (Winter)
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least two calendar days after the last calendar day of the respective period.
Ticker Symbol:	P6=Tokyo P7=Osaka
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective Pacific Rim Seasonal Index reported by Earth Satellite Corporation for that contract period, on the first Exchange business day that is at least two calendar days after the last calendar day of the respective period.
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME PACIFIC RIM SEASONAL INDEX FUTURES CONTRACT

Contract Size:	1 CME Pacific Rim Seasonal Index futures contract
Quotation:	Index Points
Index:	Seasonal Average Temperature in Degree Centigrade (° C)
Minimum Price Increment:	.01 Index Point
Tick Value:	.01 Point = ¥2,500 (Japanese Yen)
Daily Price Limits:	None
Season Traded:	July – September (Summer) December – March (Winter)
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	I6=Tokyo I7=Osaka
Strike Price Interval:	.01 Index Points, e.g. 22.01, 22.02, 22.03 etc.
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 futures equivalent contracts net long or net short in all contract months combined
Trading Hours:	8:30 A.M. to 3:15 P.M. (9:00 A.M. on LTD)

The text of the contract rules for CME Pacific Rim Seasonal Index futures and options is as follows:

CHAPTER 412

CME PACIFIC RIM SEASONAL INDEX FUTURES

41200. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Pacific Rim Seasonal Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41201. COMMODITY SPECIFICATIONS

1. Daily Average Temperature

The daily average temperature is defined as the arithmetic average of the hourly temperatures accumulated over a twenty-four (24) hour period as reported by Earth Satellite Corporation using data received from the Japan Meteorological Agency for each of the following meteorological stations:

- Osaka, Japan (WMO 47772): Between 0100 and 2400 JST the current day.
- Tokyo, Japan (WMO 47662): Between 0100 and 2400 JST the current day.

2. The Pacific Rim Seasonal Indexes

a. Summer - CME Pacific Rim Seasonal Index is the arithmetic average of like daily average temperatures over a 3-month period. The calculation period of each CME Pacific Rim Seasonal Index Futures contract begins with the first calendar day of the first month in the 3-month period (July) and ends with the last calendar day of the third month in the 3-month period (September).

b. Winter - CME Pacific Rim Seasonal Index is the arithmetic average of like daily average temperatures over a 4-month period. The calculation period of each CME Pacific Rim Seasonal Futures contract begins with the first calendar day of the first month in the 4-month period (December) and ends with the last calendar day of the fourth month in the 4-month period (March).

41202. FUTURES CALL

41202.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and in such months as may be determined by the Board of Directors.

41202.B. Size of Trading Unit

The size of the unit of trading shall be ¥250,000 (Japanese Yen) times the respective CME Pacific Rim Seasonal Index.

41202.C. Price Increments

The minimum price fluctuation on the CME Pacific Rim Seasonal Index futures contract shall be .01 index point and have a value of ¥2,500 (Japanese Yen).

41202.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For positions involving options on the respective CME Pacific Rim Seasonal Index futures, this rule is superseded by the option speculative position limit rule.

41202.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41202.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

41202.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the last calendar day of the third month in the 3-month period (September) for the summer seasonal or the fourth month in the 4-month period (March) for the winter seasonal.

41202.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of each CME Pacific Rim Seasonal Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

41202.I. [Reserved]

41203. SETTLEMENT PROCEDURES

41203.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Pacific Rim Seasonal Index reported by Earth Satellite Corporation for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the last calendar day of the third month in the 3-month period (September). For example, on October 4, 2003, the September 2003 Osaka Seasonal Index would have been settled at 26.52 degrees.

41203.B. Final Settlement

Clearing members holding open positions in a CME Pacific Rim Seasonal Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

41204. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

41205. - 06. [RESERVED]

(End Chapter 412)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 412**

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**CHAPTER 412A
OPTIONS ON CME PACIFIC RIM SEASONAL INDEX FUTURES**

412A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME Pacific Rim Seasonal Indexes futures contracts. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

412A01. OPTION CHARACTERISTICS

412A01.A.Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

412A01.B.Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME Pacific Rim Seasonal Index futures contract as specified in Chapter 412.

412A01.C.Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME Pacific Rim Seasonal Index. Each Seasonal Index point represents ¥2,500 (Japanese Yen). For example, a quote of 2 index points represents ¥5,000 (Japanese Yen). The minimum fluctuation shall be .01 index point (also known as one tick), equal to ¥2,500 (Japanese Yen).

412A01.D. [Reserved]

412A01.E.Exercise Prices

Exercise prices shall be stated in terms of the respective CME Pacific Rim Seasonal Index futures contract. In addition, exercise prices shall also be at intervals of .01 index points (e.g., 25.10, 25.11, 25.12, etc.).

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of .01 index points in a range of .01 to 40 index points upon demand evidenced in the options pit. 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.

412A01.F.Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purposes of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

412A01.G.Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

412A01.H.Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

412A01.I.Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

412A01.J.Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

412A02. Exercise

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of CME Pacific Rim CAT Index options.

412A02.A.Exercise of Option by Buyer

Options will be European-style exercise.

An option with European-style exercise may be exercised by the buyer only on the day that the option expires. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

412A02.B.Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

412A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 412A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 412A**

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

If you have any questions about these rules, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

**III. INITIAL CONTRACTS FOR CME PACIFIC RIM WEATHER INDEX FUTURES
AND OPTIONS TRADING**

The Exchange will list for trading the following CME Pacific Rim Weather Index futures:

- Monthly Index – August 2004, September 2004, October 2004, November 2004, December 2004, January 2005, February 2005, March 2005, April 2005, May 2005, June 2005, July 2005
- Seasonal Winter Index – December 2004-March 2005 (Winter Season)
- Seasonal Summer Index – July 2005-September 2005 (Summer Season)

A new month/season will be listed on the business day following termination of trading of the nearby month/season.

These same monthly/seasonal contracts will be eligible for trading in options on futures beginning the same business day as futures.

If you have any questions about these procedures, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

IV. INITIAL CME PACIFIC RIM INDEX OPTIONS STRIKE PRICES

MONTHLY:

Exercise prices shall be stated in terms of the CME Pacific Rim Indexes futures contract that is deliverable upon exercise of the option and may be at intervals of .01 for all CME Pacific Rim Indexes levels from .01 through 40.00, e.g., 22.00, 22.01, 22.02 etc.

SEASONAL:

Exercise prices shall be stated in terms of the CME Pacific Rim Seasonal Indexes futures contract that is deliverable upon exercise of the option and may be at intervals of .01 for all CME Pacific Rim Seasonal Indexes levels from .01 through 40.00, e.g., 22.00, 22.01, 22.02 etc.

If you have any questions about strike price listings, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

V. CLEARING & GLOBEX FEES FOR CME PACIFIC RIM WEATHER INDEX FUTURES AND OPTIONS

Account	Clearing Fees (per side)	GLOBEX Fees (per side)
Equity/Clearing Member	\$0.02	\$0.125
106.I Members and their 100% owned subsidiaries	\$0.12	\$0.125
Rule 106.D Lessees/ Rule 106.F Employees	\$0.07	\$0.125
106 H/N Firms	\$0.12	\$0.125
Customers of Member Firms	\$0.16	\$0.375
Block Trade Surcharge		\$0.44

If you have any questions regarding clearing fees, please contact Julie Balzarini, Accounting, at (312) 648-5470.

VI. REPORTABLE POSITION LEVELS FOR CME PACIFIC RIM WEATHER INDEX FUTURES AND OPTIONS

For purposes of Rule 817. - REPORTS OF LARGE POSITIONS, the minimum levels at which positions must be reported to the Exchange are as follows for CME Pacific Rim Weather Index futures and options:

<u>COMMODITY</u>	<u>REPORTABLE LEVEL</u>
CME Pacific Rim Futures	25 contracts
CME Pacific Rim Options	25 contracts

If you have any questions about these levels, please contact Joel Koranteng, Market Surveillance, at (312) 466-4372.

VII. PERFORMANCE BONDS FOR THE CME PACIFIC RIM WEATHER INDEX FUTURES

SPAN® MINIMUM PERFORMANCE BOND REQUIREMENTS

CME Weather Futures Outright Rates

Osaka Weather Monthly (G7)

Rate Type	New Initial	New Maintenance
Spec	4.05%	3.0%
Hedge/Member	3.0%	3.0%

Osaka Weather Seasonal (V7)

Rate Type	New Initial	New Maintenance
Spec	1.35%	1.0%
Hedge/Member	1.0%	1.0%

Tokyo Weather Monthly (G6)

Rate Type	New Initial	New Maintenance
Spec	4.05%	3.0%
Hedge/Member	3.0%	3.0%

Tokyo Weather Seasonal (V6)

Rate Type	New Initial	New Maintenance
Spec	1.35%	1.0%
Hedge/Member	1.0%	1.0%

CME Weather Futures Intra-Commodity Spread Rates

Osaka Weather Monthly (G7) - All Months

Rate Type	New Initial	New Maintenance
Spec	¥27,000	¥20,000
Hedge/Member	¥20,000	¥20,000

Osaka Weather Seasonal (V7) - All Months

Rate Type	New Initial	New Maintenance
Spec	¥27,000	¥20,000
Hedge/Member	¥20,000	¥20,000

Tokyo Weather Monthly (G6) - All Months

Rate Type	New Initial	New Maintenance
Spec	¥27,000	¥20,000
Hedge/Member	¥20,000	¥20,000

Tokyo Weather Seasonal (V6) - All Months

Rate Type	New Initial	New Maintenance
Spec	¥27,000	¥20,000
Hedge/Member	¥20,000	¥20,000

CME Weather Futures Inter-Commodity Spread Rates

Tokyo Weather Monthly (G6) vs. Osaka Weather Monthly (G7) (1:1)

Rate Type	New Initial	New Maintenance
Spread Credit Rate	70%	70%

Tokyo Weather Seasonal (V6) vs. Osaka Weather Seasonal (V7) (1:1)

Rate Type	New Initial	New Maintenance
Spread Credit Rate	70%	70%

Volatility Scan Range

	<u>Current</u>	<u>New</u>
Tokyo Weather	N/A	1.0%
Osaka Weather	N/A	1.0%

Short Option Minimum

	<u>Current</u>	<u>New</u>
Tokyo Weather	N/A	1.5%
Osaka Weather	N/A	1.5%

If you have any questions about these requirements, please contact the Risk Control Department at (312) 648-3888.

VIII. GLOBEX ERROR TRADE POLICY

The GLOBEX error trade policy for all CME Pacific Rim Weather Indexes calls for a no bust range of 10 index points or less.

If you have any questions, please contact Mr. John Restivo, Director, GLOBEX Control Center (GCC), at (312) 648-5475.

IX. SELECTED QUOTE VENDORS

Vendor Name	System Name	Tokyo Monthly Futures & Options	Osaka Monthly Futures & Options	Tokyo Seasonal Futures & Options	Osaka Seasonal Futures & Options
		G6	G7	V6	V7
Bloomberg	Bloomberg	M3A<index	M4A<index>	M5A<inex>	M6A<index>
CQG Inc.	CQG for Windows	not at this time	not at this time	not at this time	not at this time
Data Transmission Network		@G6	@G7	@V6	@V7
E-Signal	eSignal	G6 my	G7 my	V6 my	V7 my
Futuresource	Futures Source	MGT	MGO	SVT	SVO
Hyperfeed/PC Quote		/MYym	/DMym	/BQym	/CQym
ILX Systems	ILX Workstation	TE	OE	TO	OF
Moneyline Telerate		US@OVF.1	US@OVG.1	US@MGF.1	US@MGG.1
Reuters	IDN (ETH)	Futures: 0#UHND: Options: 0#UHND+	Futures: 0#UOSA: Options:0#UOSA +	Futures:0#YHND: Options:0#YHND +	Futures:0#YOSA: Options:0#YOSA +
Bridge	BIS	US@OVF.1	US@OVG.1	US@MGF.1	US@MGG.1
Telesphere	Telesphere	OVFym	OVGym	MGFym	MGGym
S&P Comstock	S&P Comstock				
Sungard	PowerPartner				
Track Data	MX	G6'	G7'	V6'	V7'
TradeStation		G6	G7	V6	V7

If you have any questions, please contact Ms. Laura Sutor, Market Data Analyst, Market Data Operations, at (312) 648-5480.