



Special Executive Report

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1. CME X-FUND INDEX FUTURES CONTRACTS BEGIN TRADING MONDAY, OCTOBER 4, 2004

CME will launch CME X-Fund Index futures on Monday, October 4, 2004. The following contracts will be listed for trading:

CME X-Fund 1 (X1) Opening Value = 100.0

Long Dec 04 Soybean Meal Short Dec 04 Soybean Oil Long Dec 04 Lean Hogs Short Jun 05 Eurodollars

CME X-Fund 2 (X2) Opening Value = 100.0

Short Dec 04 Five-Year Notes Long Dec 04 Euro FX Short Dec 04 Japanese Yen Long Dec 04 Soybean Oil

CME X-Fund Index futures will trade exclusively on GLOBEX®.

2. SPECIFICATIONS AND RULES FOR CME X-FUND FUTURES CONTRACT

CME X-FUND INDEX FUTURES CONTRACT

Contract Size:	\$1,000.00 times the X-Fund Index
Quotation:	Index Point
Index:	Specific to the particular X-Fund Index futures contract
Minimum Price Increment:	.10 Index Point
Tick Value:	.10 Point = \$100.00
Price Bands:	10 index points
Trading:	Bi-weekly Contracts
Termination of Trading:	Trading shall terminate at 3:15 p.m. Chicago time as specified at the commencement of trading in a particular X-Fund Index futures contract.
Ticker Symbol:	X1 for (XFUND1), X2 for (XFUND2), X3 for (XFUND3), and X4 for (XFUND4) and X5 for (XFUND5).
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the X-Fund Index reported by the Chicago Board of Trade for that contract period.
Position Limits:	1,000 contracts long or short in a particular X-Fund
Electronic Trading Hours:	10:00 A.M. to 3:15 P.M. on the first day of trading in each 2-week cycle; 7:20 A.M. to 3:15 P.M. all other days Monday – Friday

CHAPTER 413 CME X-FUND INDEX FUTURES

41300. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in CME X-Fund Index futures. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41301. COMMODITY SPECIFICATIONS

CME shall announce, from time to time, the futures contracts eligible for inclusion in an X-Fund Index.

41302. FUTURES CALL

41302A. Trading Schedule

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

41302B. Trading Unit

The unit of trading shall be \$1,000 times the respective CME X-Fund Index.

41302C. Price Increments

Bids and offers shall be quoted in terms of the respective CME X-Fund Index. The minimum fluctuation of the futures contract shall be 0.10 index points, equivalent to \$100.00 per contract.

41302D. Position Limits

A person shall not own or control more than 1000 contracts net long or net short in a particular CME X-Fund Index futures contract.

41302E. 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.

41302F. Exemptions

The 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.

41302G. Termination of Trading

Futures trading in each contract shall terminate on such day as may be determined by CME, as specified at the commencement of trading in a particular CME X-Fund Index futures contract.

41302H. Contract Modifications

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 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 government orders.

Changes to the component contracts of a CME X-Fund Index are permitted following the final settlement of a CME X-Fund Index futures contract and prior to the commencement of trading in a successive futures contract.

41303. SETTLEMENT PROCEDURES

All contracts open as of the termination of trading shall be cash-settled based upon the respective CME X-Fund Index for the day on which trading terminates.

41303A. Final Settlement Price

The Final Settlement Price shall be based on a special quotation of the respective CME X-Fund Index, rounded to the nearest one hundredth of a point (.01), up if .005 or more, corresponding to the expiring contract at the close of business on the last trading day. The special quotation is calculated by the Chicago Board of Trade (CBOT®) using the settlement prices of the component contracts on the last trading day or, if such settlement price is unavailable, the preceding trading day.

41303B. Final Settlement

Clearing members holding open positions in a CME X-Fund Index futures contract at the time of 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.

41304. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that the calculation of the Final Settlement Price is prevented by a strike, fire, accident, act of government, or act of God, he shall call a special meeting of the Board of Directors or the Business Conduct Committee and arrange for the presentation of evidence respecting the emergency condition. If the Board or Committee 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 413)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 413**

X-Fund Index futures are subject to a patent application filed by the Board of Trade of the City of Chicago, Inc. (Publication No. US-2003-0154153-A1), and have been licensed for use by CME for certain purposes.

Neither CME nor CBOT is responsible for, or participates in, determining the composition of the futures contracts in the X-Fund Index, other than ensuring that such contracts meet the eligibility criteria established by CME. The X-Fund Index designer has no obligation to take the needs of the traders of X-Fund Index futures into consideration in determining the composition of the futures contracts in the X-Fund Index. Subject to compliance with CME Rules, the X-Fund Index designer, and any firm with which he is associated, may take long and short positions in X-Fund Index futures based on the Index that he designs and in any of the Index components. The X-Fund Index designer, and any such firm, shall not have any liability to any third party as a result of the fact that any such positions have been taken in compliance with CME Rules and CFTC requirements.

NONE OF THE CME, CBOT, OR THE X-FUND INDEX DESIGNER MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY TRADERS, THEIR CUSTOMERS, OR ANY OTHER PERSON FROM THE TRADING OF X-FUND INDEX FUTURES. NONE OF CME, CBOT, OR THE INDEX DESIGNER GUARANTEES THE QUALITY, ACCURACY AND/OR COMPLETENESS OF ANY X-FUND INDEX, ANY DATA INCLUDED THEREIN, OR ANY CALCULATIONS RELATING TO ANY X-FUND INDEX, AND NONE OF CME, CBOT, OR THE INDEX DESIGNER SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NONE OF CME, CBOT, OR THE X-FUND INDEX DESIGNER MAKES ANY EXPRESS OR IMPLIED WARRANTIES AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO ALL X-FUND INDEXES. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CME, CBOT, OR THE X-FUND INDEX DESIGNER HAVE ANY LIABILITY FOR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN THE X-FUND INDEX DESIGNER AND CME OR CBOT.

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

3. CLEARING & GLOBEX FEES FOR CME X-FUND INDEX FUTURES CONTRACT

The CME X-Fund Index contracts are eligible for a three-month exchange fee waiver program. The three-month period begins on the trade day of Monday, October 4, 2004. After the conclusion of the three-month fee waiver program, the index fee schedule will be in effect.

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

4. REPORTABLE POSITION LEVELS FOR CME X-FUND FUTURES CONTRACT

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 X-Fund Index futures:

<u>INDEX PRODUCT</u>	<u>REPORTABLE LEVEL</u>
CME X-Fund Index Futures	25 contracts

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

5. **PERFORMANCE BONDS FOR CME X-FUND INDEX FUTURES CONTRACT**

CME X-Fund 1 (X1)

Initial \$1,890
Maintenance \$1,400

CME X-Fund 2 (X2)

Initial \$2,700
Maintenance \$2,000

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

6. **GLOBEX ERROR TRADE POLICY**

The GLOBEX error trade policy for CME X-Fund Index contracts calls for a No Bust Range of 5 index points or less.

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

7. **GLOBEX PRICE BANDING**

CME X-Fund Index price bands will be 10 index points (plus or minus) around the “CME Last Price”.

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