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Special Executive Report

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Exchange to List Weekly Expiring CME Eurodollar MidCurve Options on April 23

On April 23, 2005, Weekly Expiring CME Eurodollar MidCurve Options will be listed for trading. The weekly expiring option shall have as its underlying instrument the 5th quarterly expiration of the CME Eurodollar futures contract at the option's expiration. There will be weekly expiring options on five (5) nearest Fridays on each trading day, inclusive of the existing serial or quarterly One-Year CME MidCurve Options.

Amendments to CME Eurodollar Options Rules are set forth as follows, with additions double-underlined and deletions bracketed and overstruck.

CHAPTER 452A OPTIONS ON THREE-MONTH EURODOLLAR FUTURES

452A01. OPTION CHARACTERISTICS

452A01.A. Contract Months, Trading Hours, and Trading Halts

[Unchanged]

452A01.B. Trading Unit

[Unchanged]

452A01.C. Minimum Fluctuations

[Unchanged]

452A01.D. Underlying Futures Contracts

1. Options in the March Quarterly Cycle ("Quarterly Options")

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), except for those Mid-Curve options specified in Paragraphs 3, 4, and 5 and those 5-Year bundle options specified in Paragraph 6, the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle ("Serial Options")

For options that expire in months other than those in the March quarterly cycle, (i.e. January, February, April, May, July, August, October, and November) except for those Mid-Curve options specified in Paragraphs 3, 4 and 5 and those 5-Year bundle options specified in Paragraph 6, the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the options that expire in January or February is the March futures contract.

3. One-Year Mid-Curve Options

One-Year Mid-Curve Options in the March Quarterly Cycle: (“Quarterly One-Year Mid-Curve Options”)

For One-Year Mid-Curve options that expire in the March quarterly cycle, (i.e. March, June, September, and December), the underlying futures contract is the futures contract that expires twelve calendar months after the month in which the option expires.

One-Year Mid-Curve Options Not in the March Quarterly Cycle: (“Serial One-Year Mid-Curve Options”)

For Serial One-Year Mid-Curve Options that expire in months other than those in the March quarterly cycle, i.e. January, February, April, May, July, August, October, and November, the underlying futures contract is the futures contract that expires twelve calendar months from the next March quarterly month that is nearest to the expiration of the option. For example, the underlying futures contract for the One-Year Mid-Curve options that expire in January or February is the March futures contract in the next calendar year.

Weekly One-Year Mid-Curve Options

For Weekly One-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires twelve calendar months from the next March quarterly month that is nearest to the expiration of the option.

4. Two-Year Mid-Curve Options

For Two-Year Mid-Curve options, the underlying futures contract is the futures contract that expires twenty-four calendar months after the month in which the option expires.

5. Fifth-Year MidCurve Options

For Fifth-Year Mid-Curve options, the underlying futures contract is the futures contract that expires forty-eight calendar months after the month in which the option expires.

6. 5-Year Bundle Options

5-Year Bundle Options in the March Quarterly Cycle:

For the 5-Year bundle option that expires in the March quarterly cycle, (i.e., March, June, September, and December), the underlying instrument is the 5-Year bundle with the nearest futures contract expiring in the same month as the option expires. For example, the underlying instrument for the December 97 5-Year bundle option is the 5-Year bundle starting with the December 97 futures contract.

5-Year Bundle Options Not in the March Quarterly Cycle:

For 5-Year bundle option that expires in months other than those in the March quarterly cycle, (i.e., January, February, April, May, July, August, October, and November), the underlying instrument is the 5-Year bundle with the nearest futures contract expiring in the March quarterly cycle that is next to the expiration of the option. For example, the underlying instrument for the 5-

Year bundle option that expires in January 98 or February 98 is the 5-Year bundle futures starting with the March 98 futures contract.

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.

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 two nearest Options in the March Quarterly cycle and two nearest options not in the March Quarterly cycle, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of the last contract month in the same listing cycle. For the nearest options in the March Quarterly cycle and two nearest Serial options [~~not in the March Quarterly cycle~~] and the Weekly 1-Year MidCurve options, and the nearest options in the March Quarterly cycle 2-year and 5th-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.

452A01.F. Position Accountability

[Unchanged]

452A01.G. [Reserved]

452A01.H. Accumulation of Positions

[Unchanged]

452A01.I. [Reserved]

452A01.J. Termination of Trading

1. Options in the March Quarterly Cycle (“Quarterly Options”)

For options in the March quarterly cycle, except for those Mid-Curve options specified in Paragraph 3 and those 5-Year bundle options specified in Paragraph 4, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle (“Serial Options”)

Options trading for contracts not in the March quarterly cycle except for those Mid-Curve options specified in Paragraph 3 and those 5-Year bundle options specified in Paragraph 4, shall terminate at the close of trading on the Friday preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, options trading shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Mid-Curve Options

Except for the weekly One-Year Mid-Curve options, trading [~~Trading~~] in One-Year, Two-Year and Fifth-Year Mid-Curve options shall terminate at the close of trading on the Friday preceding the third Wednesday of the calendar month containing the Mid-Curve option expiration. If the foregoing date for termination is a scheduled Exchange holiday, options trading shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

Trading in weekly One-Year Mid-Curve options shall terminate at the close of trading on those Fridays that are not also the termination of trading of a Quarterly or Serial One-Year Mid-Curve option. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

4. 5-Year Bundle Options

Trading in 5-Year Bundle options shall terminate at the close of trading on the Friday preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, options trading shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

452A01.K. Contract Modifications

[Unchanged]

[The remainder of Chapter 452A remains unchanged.]

The following table provides a summary of the contract specifications.

Summary of Specifications for Weekly Expiring Eurodollar MidCurve Options

Underlying Contract	One (1) Eurodollar futures contract that expires twelve calendar months from the next March quarterly month that is nearest to the expiration of the option, e.g. For the weekly expiration of June 3 rd , 2005, the underlying futures contract is the June 2006 Eurodollar futures contract. For the weekly expiration of June 17 th , 2005, the underlying futures contract is the September 2006 Eurodollar futures contract.
Expiration / Last Day of Trading	Option trading terminates at the conclusion of trading on each Friday that is not an expiration day for a Quarterly or a Serial One-Year Mid-Curve Options. In the event the Friday is not a schedule trading day in Eurodollar contracts, the option shall expire on the immediately preceding trading day.
Ticker / Clearing Code	Open Outcry / Clearing Code: 1K, 2K, 3K, 4K, 5K for the 1 st – 5 th weekly expiration respectively. GLOBEX: E01, E02, E03, E04, E05 for the 1 st – 5 th weekly expiration respectively. <i>Note: in the case of a weekly expiration coinciding with a Serial/Quarterly expiration, the contract is identified as the Serial/Quarterly option.</i>
Listing Cycle	Weekly expirations shall be listed such that, inclusive of the serial (or quarterly) expiration already listed, five (5) consecutive weekly expirations of One-Year MidCurve options are available for trading. e.g. On April 25 th , 2005, the following expirations on the June 2006 Eurodollar futures shall be available for trading (clearing code in bracket): April 29 (5KJ5), May 6 (1KK5), May 13 (<u>E0K5 - serial MidCurve option</u>), May 20 (3KK5), and May 27 (4KK5).
Quotation / Tick Increment	In IMM Index Points – each 0.01 IMM index point is equivalent to \$25.00. Minimum price fluctuation of 0.005 IMM index point
Strike Listing Convention	Same as the nearest Serial One-Year Mid-Curve Options – at 0.25 IMM index point intervals within 5.50 IMM index points of the at-the-money strike, plus the nearest half-strike above and below the at-the-money strike
Block Trade Facility	From 7:00 a.m. to 4:00 p.m. Mondays - Fridays on regular business days minimum threshold of 4,000 contracts in outright trade; or 4,000 of at least one leg in a combination trade; For all hours outside of 7:00 a.m. to 4:00 p.m. Mondays - Fridays on regular business days minimum threshold of 500 contracts
Trading Venue / Trading Hour	Open Outcry: 7:20 a.m. to 2:00 p.m. Chicago time; GLOBEX: 5:00 pm Sunday – Thursday to 6:50 a.m. next morning; trading via EOS during 7:00 a.m. – 4:00 p.m. Monday – Friday

If you have any questions regarding the listing of Weekly CME Eurodollar MidCurve Options, please contact Mr. Peter Barker, Director, Interest Rate Products, at 312-930-8554, or Mr. Richard Co, Director, Research & Product Development, at 312-930-3227.