



Special Executive Report

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Technical Clarification Regarding CME® Eurodollar Post Settlement Session

Please be advised that, for purposes of the Post Settlement Session in CME Eurodollar futures, the “closing range” referred to in Rule 550 is determined inclusive of traded prices and bids/offers posted in both the open outcry and the CME Globex® trading environments. (The text of Rule 550 is included below as a reference.) This clarification is effective immediately.

This is intended to clarify procedures in light of recent amendments to CME Eurodollar settlement procedures. Specifically, CME modified settlement procedures in “white” and “red” CME Eurodollar futures on February 14, 2005 and April 4, 2005, respectively. As a result, daily settlement prices in the first eight quarterlies and the first serial contract month are based upon traded prices and bid/offers occurring between 1:59 and 2:00 p.m. on the CME Globex platform.

550. POST SETTLEMENT SESSION

After the posting of the settlement price or two minutes after the close of Regular Trading Hours for pit-traded futures and options contracts, whichever is later, trading may resume for a period of no longer than three minutes, subject to the following exception. In the case of Eurodollar futures, trading during the post settlement session may take place only in the first eight contract months in the March quarterly cycle, the first four serial contract months, and in spreads and combinations involving Eurodollar futures.

During the post settlement session, members are obligated to bid or offer any orders that: (1) were received prior to the close; (2) were executable in the closing range; and (3) are executable in the post settlement session. In addition, members are obligated to bid or offer any orders, including customer orders, that were received after the close and are executable in the post settlement session.

CME Eurodollar Post Settlement Session (S-4253)

April 20, 2005

Page 2 of 2

The range of prices eligible for trading outright futures or options contracts in the post settlement session shall be the closing range, with the following exception. For contracts which have been settled outside of their closing range pursuant to Rule 813.B., C., or D., trades during the post settlement session may occur only at the settlement price and the next two ticks in the direction of the closing range for interest rate contracts, at the settlement price and the next three ticks (four ticks for Mexican peso contracts) in the direction of the closing range for foreign currency contracts, and at the settlement price and the next five ticks in the direction of the closing range for equity contracts. However, on those days when equity contracts are settled per their "Fair Value" as determined by the Exchange pursuant to Rule 813.D., trades in the post settlement session in those contracts shall be within their closing range of prices.

A simultaneous spread or combination transaction executed pursuant to Rule 542 may be transacted during the post settlement session at a differential which is consistent with the spread differentials prevailing during the closing range. The price assignment conventions and conditions set forth in Rule 542 shall apply to any simultaneous spread or combination transaction executed in the post settlement session.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post settlement session.

For more information regarding this topic, please contact John W. Labuszewski, Managing Director, Research & Product Development at 312-466-7469.