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Special Executive Report

S-4190

January 3, 2005

Stock Index Price Limits Revised Effective for 1st Quarter 2005

Price limits for domestic stock index futures are revised to the following levels, effective for the commencement of Electronic Trading Hours (ETH) on Friday, December 31 at 3:30 p.m. These limits shall be in force for the balance of the 1st calendar quarter, 2005.

CME eliminated 2.5% price limits on May 13, 2001. Please also note that the former 2.5% “band” on CME Globex[®] transactions has been modified. As of September 14, 2003, the default bands on all outright CME products equal two times (2x) the no-bust range. Note that any TRAKRSSM Index futures contract is an exception to this rule where a band calculated as the CME Last Price $\pm 25\%$ is applied. The CME “Last Price” represents the last transaction or best bid or offer through the last transaction. These bands are recalculated quarterly using the same methodologies used to recalculate price limits.

Limits and bands are as follows:

1st Quarter 2005 Stock Index Price Limits and Bands

Contracts	5% Limit	10% Limit	15% Limit	20% Limit	2x No Bust Band	25% Band
S&P 500 [®] & E-mini [™]	60.00	120.00	180.00	240.00	12.00	na
MidCap 400 [™] & E-mini	32.00	65.00	97.00	130.00	6.00	na
S&P/BARRA Growth [™]	27.00	55.00	82.00	110.00	8.00	na
S&P/BARRA Value [™]	30.00	60.00	90.00	120.00	8.00	na
Russell 1000 [®]	32.00	65.00	97.00	130.00	6.00	na
Russell 2000 [®] & E-mini	30.00	60.00	90.00	120.00	6.00	na
NASDAQ-100 [®] & E-mini	80.00	160.00	240.00	320.00	40.00	na
E-mini NASDAQ Composite [®]	105.00	210.00	315.00	420.00	40.00	na
LMC TRAKRS SM	na	na	na	na	na	9.80
LS Tech TRAKRS SM	na	na	na	na	na	10.05
LS Tech TRAKRS II SM	na	na	na	na	na	5.50
Select 50 TRAKRS SM	na	na	na	na	na	8.00
Commodity TRAKRS SM	na	na	na	na	na	7.45
Euro TRAKRS SM	na	na	na	na	na	7.70
Gold TRAKRS SM	na	na	na	na	na	6.40
S&P 500 Financial SPCTR [™]	20.00	40.00	60.00	80.00	6.00	na
S&P 500 Technology (Telecom/IT) SPCTR [™]	11.00	22.00	33.00	44.00	6.00	na
S&P Smallcap 600 [™]	16.00	32.00	48.00	64.00	6.00	na

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Exchange rules call for the limits to be re-calculated quarterly at the close of business on the day preceding the commencement of a new calendar quarter. Note that stock index price limits are generally revised upwards from the limits that were in force during the previous calendar quarter.

The Exchange's price limits are re-assessed quarterly rather than established at fixed levels insofar as fixed limits are not responsive to on-going market fluctuations. CME Rules are designed to coordinate with circuit breaker provisions as applied by the New York Stock Exchange (NYSE).

The NYSE enforces limits at 10%, 20% and 30% declines of the Dow Jones Industrial Average (DJIA), calculated at the beginning of each calendar quarter, using the average closing value of the DJIA for the prior month, rounded to the nearest 50 points. Limits in force during the current quarter are 1,050, 2,150 and 3,200 (limits were at 1,000, 2,050 and 3,050 index points during the previous calendar quarter).

The NYSE also places certain restrictions or "collars" on index arbitrage activity in the event of a 2% price advance or decline per NYSE Rule 80A. The 2% trigger for the application of Rule 80A is 210 DJIA points (the trigger stood at a level of 200 index points during the previous calendar quarter).

Please consult the Rulebook for a complete description of the application of the circuit breaker provisions. Or, you may wish to direct any inquiries to Ariel Hantin, Senior Research Analyst, Product Research and Development at 312-559-4951.