



Special Executive Report

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S-4233

March 18, 2005

CME X-FUND PRELIMINARY NOTICE

The following CME X-Fund futures contracts for April 1, 2005 will be listed for trading during the March 21 – April 1, 2005 trading cycle. The trading hours for electronic trading will be as follows:

Monday, March 21 st	10:00 a.m. – 3:15 p.m.
Tuesday March 22 nd through Friday, April 1 st	7:20 a.m. – 3:15 p.m.

There is no trading on Saturday or Sunday.

CME X-Fund 2 (X2)

Short July 05 Soybean Meal Long Jun 05 10-Year Notes Long Jun 05 Yen Short Jun 05 British
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Initial/Maintenance Margin: \$1,485/\$1,100

If you have any questions, please contact Dave Smith, Project Analyst, Industrial Commodities, Product & Services Division, at (312) 634-8921, or Felix Carabello, Associate Director, Product & Services Division, at (312) 634-1585.

PLEASE BE ADVISED OF THE FOLLOWING AMENDMENTS TO THE CME X-FUND RULE LANGUAGE.

Market participants are advised that, effective with the X-Funds that begin trading on Monday, March 21, 2005, the following amendments will apply, with additions underlined and deletions bracketed and overstruck.

X-FUND INDEX FUTURES

41301. COMMODITY SPECIFICATIONS

CME shall announce~~[, from time to time,]~~ each calendar year the futures contracts eligible for inclusion in an X-Fund Index. At a minimum, an eligible futures contract must:

1. Have a minimum average daily volume of at least 5,000 contracts for all months combined in the previous calendar year;
2. Meet all other requirements established by the Exchange.

CME also shall announce each calendar year the contract months, as determined by position and listing cycle, eligible for inclusion in an X-Fund Index. At a minimum, an eligible contract month must:

1. Have a minimum average daily volume of at least 1,000 contracts in the previous calendar year;
2. Not have daily volume less than 1,000 contracts on more than 50 trading days in the previous calendar year;
3. Not have final expiration (for cash settled contracts) or any part of the delivery process beginning with first notice day (for physically delivered contracts) occur in the 2-week period during which the contract is part of an X-Fund Index;
4. Meet all other requirements established by the Exchange.

Futures contracts and contract months meeting these requirements shall be referred to as components.

An X-Fund Index shall contain a minimum of three, and a maximum of four, components selected by the X-Fund Designer, with each component being either long or short. In addition, an X-Fund Index shall not have more than two components consisting of the same eligible futures contract, nor shall a majority of the components consist of the same eligible futures contract. A new set of components shall be selected by the X-Fund Designer every two weeks and announced by the Exchange prior to the start of trading.

An X-Fund Index shall have an initial value of \$100,000.00, equal to 100.00 index points. The ending value of an X-Fund Index for a two-week period shall be the beginning value for the next two-week period. If for any reason an X-Fund Index is not offered for trading for a particular two-week period, the ending value of that X-Fund Index for the two-week period when it last traded shall be the beginning value for the two-week period in which trading resumes.

At the end of each two-week period, the X-Fund Index shall be cash settled to the final settlement value described in Rule 41303.A., which shall be calculated as follows.

For each component in an X-Fund Index,

1. For the beginning of a two-week period, the beginning value for each component is established using the daily settlement price from the previous business day;
2. For the end of a two-week period, the ending value for each component is established using the daily settlement price for the last business day in the two-week period;
3. The result from Step 1 is subtracted from the result from Step 2;
4. The result from Step 3 is multiplied by (+1) if the component was a long position, or (-1) if the component was a short position;
5. The result from Step 4 is multiplied by the contract size, or multiplier, to obtain the change in value of the component during the two-week period.

For all components in an X-Fund Index,

6. The results from Step 5 for all components are aggregated to obtain the net change in value of the X-Fund Index during the two-week period;

7. The result from Step 6 is added to (in the case of a net gain) or subtracted from (in the case of a net loss) the beginning value of the X-Fund Index for the two-week period, and the rounding procedure described in Rule 41303.A. is applied, to obtain the final settlement value of the X-Fund Index.

As a result of these amendments, only the following products will be eligible for inclusion in X-Fund Indexes:

CME Products

Australian Dollar – front month only
British Pound – front month only
Canadian Dollar – front month only
Eurodollars – front 20 months of quarterly cycle only
EuroFX – front month only
Japanese Yen – front month only
Live Cattle – front 2 months of February bi-monthly cycle only
Lean Hogs – front 2 months
Mexican Peso – front month of quarterly cycle only
Swiss Franc – front month only

CBOT Products

2-Year Treasury Notes – front month only
5-Year Treasury Notes – front month only
10-Year Treasury Notes – front 2 months
Corn – front 3 months
Fed Funds – front 4 months
Soybeans – front 3 months
Soybean Oil – front 3 months
Soybean Meal – front 3 months
Treasury Bonds – front month only
Wheat – front 2 months

This list of eligible products will remain in effect for the remainder of calendar year 2005, and until it is superseded by a new list of eligible products that will be announced in early 2006.