



## Special Executive Report

20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 *tel*  
312/466.4410 *fax*

S-4384

December 2, 2005

### **REVISIONS TO CME FROST DAYS INDEX FUTURES AND CME SEASONAL FROST DAYS INDEX FUTURES EFFECTIVE MONDAY, DECEMBER 5**

On November 23, 2005, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") approved amendments to CME Frost Days Index Futures and CME Seasonal Frost Days Index Futures. These amendments cause the underlying indexes to be calculated using the final temperature values from the respective national meteorological offices, rather than the preliminary temperature values issued by those same offices. The amendments are presented below, with additions underlined and deletions bracketed and overstruck.

#### **CME Frost Days Index Futures**

##### **41601. COMMODITY SPECIFICATIONS**

###### **1. Frost Days**

A "Frost Day" shall be defined as a day in which one or more of the following conditions is true for a particular location: during the period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. ~~Temperatures are measured at the following times for each location, as reported by Earth Satellite Corporation:~~

- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -3.5 degrees Celsius;
- The temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -1.5 degrees Celsius;
- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius, and the temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius.

###### **2. The CME Frost Days Indexes and Listing Cities**

Each particular CME Frost Days Index is the accumulation of like Frost Days during a month within the period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. Each particular Index shall be computed by Earth Satellite Corporation using final temperature observations reported by the respective national meteorological office.

#### Listing Cities and Corresponding Weather Stations

- Amsterdam-Schiphol, Netherlands (WMO 06240)

### 41602. FUTURES CALL

#### G. Termination of Trading

For the November, December, January and February contract months, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least ~~[two]~~six calendar days after the respective futures contract month. For the March contract month only, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least ~~[two]~~six calendar days after the last Friday in March.

(Remainder of Rule 41602 unchanged)

### 41603. SETTLEMENT PROCEDURES

#### A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Frost Days Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date. For the November, December, January and February contract months, final settlement shall occur on the first Exchange business day that is at least ~~[two]~~six calendar days after the respective futures contract month. For the March contract month only, final settlement shall occur on the first Exchange business day that is at least ~~[two]~~six calendar days after the last Friday in March. For example, on March ~~[2]~~7, 2005, the February 2005 futures contract on the CME Amsterdam-Schiphol Frost Days Index would have been settled at 2 Frost Days.

(Remainder of Rule 41603 unchanged)

## CME Seasonal Frost Days Index Futures

### 41701. COMMODITY SPECIFICATIONS

#### 1. Frost Days

A "Frost Day" shall be defined as a day in which one or more of the following conditions is true for a particular location: ~~[, as reported by Earth Satellite Corporation:]~~

- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -3.5 degrees Celsius;
- The temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -1.5 degrees Celsius;
- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius, and the temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius.

#### 2. The CME Seasonal Frost Days Indexes and Listing Cities

Each particular CME Seasonal Frost Days index is the accumulation of like Frost Days over the 5-month period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. Each particular Index shall be computed by Earth Satellite Corporation using final temperature observations reported by the respective national meteorological office.

The temperature for a particular location is reported from a specific weather station. The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Weather Stations

- Amsterdam-Schiphol, Netherlands (WMO 06240)

**41702. FUTURES CALL**

G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least ~~two~~six calendar days after the last Friday in March.

(Remainder of Rule 41702 unchanged)

**41703. SETTLEMENT PROCEDURES**

A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Frost Days Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least ~~two~~six calendar days after the last Friday in March. For example, on March ~~28~~31, 2005, the March 2005 futures contract on the CME Amsterdam-Schiphol Seasonal Frost Days Index would have been settled at 10 Frost Days.

(Remainder of Rule 41703 unchanged)

On Friday, December 2, 2005, the Exchange will temporarily de-list all currently listed Frost Days and Seasonal Frost Days futures and options. On Monday, December 5, 2005, the Exchange will re-list all currently listed Frost Days and Seasonal Frost Days futures and options, and trading will resume under these amended rules.

If you have any questions regarding this matter, please contact Paul Peterson, Commodity Product Development, at (312) 930-4587 or Charles Piszczor, Commodity Product Development, at (312) 930-4536.