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## Special Executive Report

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S-4422

March 14, 2006

### **PROCEDURES FOR DETERMINING THE CME/EMTA RUSSIAN RUBLE**

#### **REFERENCE RATE ON THE TERMINATION OF TRADING FOR THE MARCH 2006**

#### **CME RUSSIAN RUBLE FUTURES CONTRACT ON WEDNESDAY, MARCH 15, 2006**

As you were notified previously in CME Special Executive Report, S-4282, dated Monday, June 13, 2005, and in CME Update 05-03, dated Monday, May 2, 2005, the Board of Directors at its Regular Meeting on Monday, April 25, 2005, approved changes to the CME/EMTA Russian Ruble Reference Rate Methodology originally proposed by EMTA, Inc. (formerly, the Emerging Markets Traders Association) and the necessary associated changes to the CME Russian Ruble futures contract specifications.

Then, on Thursday, June 16, 2005, Chicago Mercantile Exchange Inc. ("CME") and EMTA implemented the new procedures and new methodology for determining the daily CME/EMTA Russian Ruble Reference Rate. Please note that the June 2006 and subsequently listed CME Russian Ruble futures contracts and as well as the over-the-counter (OTC) Russian Ruble / U.S. Dollar non-deliverable forward (NDF) transactions cash settle in U.S. dollars at termination using these rates. However, the remaining previously listed CME Russian Ruble futures contracts terminating in March 2006 will settle at termination to rates determined under the former methodology, so procedures for determining the Final Settlement Prices for this contract remain unchanged (see rules "Applicable for the June 2005 through March 2006 contract months" in the electronic CME Rulebook at <http://rulebook.cme.com/rulebook10961.html>).

As a consequence on this contract termination date ONLY, the CME/EMTA Russian Ruble Reference Banks will quote a RUB/USD rate three times in one day, once based on the new methodology and two additional times based on the old methodology. This "phase-in procedure" was adopted in order to avoid unnecessary disruption to the futures market. Please note, however, that after Wednesday, March 15, 2006, the "phase-in procedure" will be completed and going forward ONLY one rate, the Russian Ruble / U.S. Dollar TOM ("tomorrow") rate, will be calculated and published each day (see further explanations below).

#### **Current CME/EMTA Russian Ruble / U.S. Dollar Survey Procedures for "TOM" Rate Postings are Unchanged**

In accordance with normal procedures (originally implemented starting Thursday, June 16, 2005), CME/EMTA Russian Ruble Reference Rate Banks will be polled by the CME Clearing House agent on Wednesday, March 15, 2006, for the Russian Ruble / U.S. Dollar TOM ("tomorrow") rate bid and offer at a random time between 12:00 noon and 12:30 p.m. Moscow

time (3:00 a.m. to 3:30 a.m. Central time). The results of this polling will be used to determine the CME/EMTA Russian Ruble Reference "TOM" Rate for Wednesday, March 15, 2006. Ruble / dollar non-deliverable forward (NDF) transactions use this daily calculated rate for valuation. However, the March 2006 CME Russian Ruble futures contract will not cash settle to this "TOM" rate at termination (see next section).

**Survey Procedures to Determine the March 2006 CME Russian Ruble Futures Contract  
Final Settlement Price (Based on a "TOD" Rate) at Termination  
on Wednesday, March 15, 2006**

In addition, since Wednesday, March 15, 2006, is also the termination of trading for the March 2006 CME Russian Ruble futures contract, the CME Clearing House agent will poll at two additional randomly selected times between 12:00 noon and 3:40 p.m. Moscow time (3:00 a.m. to 6:40 a.m. Central time). At each of the two polling times, reference banks will be asked to provide: (1) the bid and offer of the Russian Ruble/ U.S. Dollar TOM rate and (2) the bid and offer for the overnight Russian Ruble money market rate. CME will then use these data along with the overnight (U.S.) Fed Funds effective rate to calculate the CME/EMTA Russian Ruble Reference "TOD" ("today") Rate for Wednesday, March 15, 2006. CME will take the reciprocal of this "TOD" rate, round it to six decimals, and it will become the Final Settlement Price for the termination of the March 2006 CME Russian Ruble futures contract (see also rules "Applicable for the June 2005 through March 2006 contract months" in the electronic CME Rulebook at <http://rulebook.cme.com/rulebook10961.html>).

Please note also starting with the termination of the June 2006 CME Russian Ruble futures contract on Thursday, June 15, 2006, the Final Settlement Prices for expiring CME Russian Ruble futures contracts will be determined using the "TOM" rate.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583 or Scott Brusso, Director, Foreign Exchange, at (312) 930-3133.