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Special Executive Report

S-4480

July 28, 2006

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1. CME BRITISH POUND, CANADIAN DOLLAR AND SWISS FRANC EUROPEAN-STYLE OPTIONS LAUNCH ON SUNDAY, JULY 30, 2006

Launch Dates: CME British Pound (BP), CME Canadian Dollar (CD) and CME Swiss Franc (SF) European-style options on futures contracts will start trading on the CME Globex[®] platform at 5:00 PM Central Time (CT) on Sunday, July 30, 2006, and on the trading floor beginning at 7:20 AM CT on Monday, July 31, 2006.

Side by Side and CME GALAX-C[®] Hand-held Unit Trading: The new additions to the CME European-style FX options product line will trade side by side on the trading floor and on the CME Globex platform. The listings and the trading of CME American-style FX options are unchanged. Like the existing Euro FX and Japanese Yen CME European-style FX options, the three new BP, CD and SF European-style options will be available for trading on the CME GALAX-C[®] hand-held unit. Please see staff at the 5th floor Hand-held Distribution Center for more information on GALAX-C trading, to register for a class, and/or apply for a unit.

European Exercise Definition: The extension of this product line continues with contract terms designed to appeal to over-the-counter (OTC) FX options market participants. By definition, the European-style options are exercised at expiration only. Exercise and assignment of CME European-style FX options are based on the "CME currency fixing price" determined at 9:00 a.m. CT (10:00 a.m. Eastern Time) on Fridays. See details under Section 2.

Contacts:

Scott Brusso, Director, Foreign Exchange, at (312) 930-3133

Dave Schulz, Associate Director, Foreign Exchange, at (312) 930-3426

Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583

TRADING HOURS (CENTRAL TIME) FOR CME EUROPEAN-STYLE FX OPTIONS

TRADING FLOOR (Monday through Friday)

7:20 a.m. to 2:00 p.m.

CME Globex Platform (Sunday through Friday)

5:00 p.m. (trading opens for the next trade date) to 4:00 p.m. the following day. On Friday CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.

TICKER SYMBOLS FOR CME EUROPEAN-STYLE FX OPTIONS

FX CONTRACT	TRADING FLOOR				CME Globex SIDE BY SIDE TICKER SYMBOL	CME Globex <u>Weekly Options</u> Commodity Codes & Ticker Symbols	CME CURRENCY FIXING PRICE SYMBOLS
	RTH Commodity Code	RTH Ticker Symbol	All-Or-None (Trading Floor Only)	<u>Weekly Options</u> Commodity Codes & Ticker Symbols			
New BP	YB	YB	0P	1P-5P	XB	XB1-XB5	ZYB
New CD	YD	YD	0K	1D-5D	XD	XD1-XD5	ZYD
New SF	YS	YS	0G	1W-5W	XS	XS1-XS5	ZYF
EC	YT	YT	0T	1T-5T	XT	1Q-5Q	ZYT
JY	YJ	YJ	0J	1Y-5Y	XJ	1O-5O	ZYJ

INITIAL OPTIONS CONTRACT MONTHS FOR NEW BP, CD & SF EURO-STYLE OPTIONS

<u>Outrights</u>	<u>Contract</u>	<u>Termination of Trading</u>		<u>Exercise & Expiration</u>	<u>Underlying Futures*</u>
		<u>Trading Floor</u>	<u>CME Globex</u>		
Quarter 1	Sep 2006	Sep 7, 2006	Sep 8, 2006	Sep 8, 2006	Sep 2006
Quarter 2	Dec 2006	Dec 7, 2006	Dec 8, 2006	Dec 8, 2006	Dec 2006
Quarter 3	Mar 2007	Mar 8, 2007	Mar 9, 2007	Mar 9, 2007	Mar 2007
Quarter 4	Jun 2007	Jun 7, 2007	Jun 8, 2007	Jun 8, 2007	Jun 2007

<u>Serial</u>	<u>Contract</u>	<u>Termination of Trading</u>		<u>Exercise & Expiration</u>	<u>Underlying Futures</u>
		<u>Trading Floor</u>	<u>CME Globex</u>		
Serial 1	Not listed (8/4/06)*	n.a.	n.a.	n.a.	n.a.
Serial 2	Oct 2006	Oct 5, 2006	Oct 6, 2006	Oct 6, 2006	Oct 2006
Serial 2'	Nov 2006*	Nov 2, 2006	Nov 3, 2006	Nov 3, 2006	Nov 2006

<u>Weekly</u>	<u>Contract</u>	<u>Termination of Trading</u>		<u>Exercise & Expiration</u>	<u>Underlying Futures</u>
		<u>Trading Floor</u>	<u>CME Globex</u>		
Week 2	Aug 11, 2006	Aug 10, 2006	Aug 11, 2006	Aug 11, 2006	Sep 2006
Week 3	Aug 18, 2006	Aug 17, 2006	Aug 18, 2006	Aug 18, 2006	Sep 2006
Week 4	Aug 25, 2006	Aug 24, 2006	Aug 25, 2006	Aug 25, 2006	Sep 2006
Week 1	Sep 1, 2006	Aug 31, 2006	Sep 1, 2006	Sep 1, 2006	Sep 2006

*Aug 2006 serial options scheduled to terminate on CME Globex on Friday, Aug. 4, 2006, will not be listed for trading. However, the Nov 2006 serial options contract month will be listed initially on Sunday, Jul. 30, 2006, about one week early (ordinarily would have been listed on the evening of Thursday, Aug. 3rd on CME Globex).

INITIAL OPTIONS CONTRACT MONTHS (continued)

<u>Calendar Spreads</u>	<u>Floor **</u>	<u>CME Globex</u>
		None listed at this time

<u>Inter-Commodity Spreads</u>	<u>Floor**</u>	<u>CME Globex</u>
		None listed at this time

**Spreads involving CME European-style FX options traded on the trading floor will follow similar spread trading conventions for existing CME American-style FX options.

The regular options listing schedule includes four March quarterly cycle months, two serial months and four weekly options contracts.

2. EUROPEAN-STYLE FX OPTIONS OPERATIONAL TIME TABLE AT EXPIRATION (EXISTING PROCEDURES ARE UNCHANGED)

- a. CME European-style FX options expire on Fridays at 9:00 a.m. Central time. Floor trading of the CME European-style FX options terminates at 2:00 p.m. Central time on Thursdays.¹ CME Globex platform trading of these options terminates at 9:00 a.m. on Fridays. As noted previously, CME European-style FX options will be available for trading on the CME GALAX-C[®] hand-held unit.
- b. A regular FX outtrade session is held on Friday morning prior to the market opening to resolve outrades and give ups from the prior trading day.
- c. On Friday, as soon after 9:00 a.m. Central time as is practicable, CME will determine for each European-style FX option the "CME currency fixing price," the price defining which options are in the money and exercised. These "fixing prices" are rounded to the nearest whole (one-point) tick as defined by the respective contract's Price Increments rule.
- d. Block trades can be reported to the CME Globex Control Center (GCC) up until 4:00 p.m. Central time on Friday.
- e. On Friday afternoon, the special outtrade session for expiring options is held. At this session, all outstanding outrades resulting from floor trading or block trading must be resolved. Firms have until the normal 7:00 p.m. deadline to get all giveups and average-price transactions accepted.
- f. Final exercise and assignment (E&A) is run Friday night at the normal time using the special "CME currency fixing prices" captured at 9:00 a.m. Central time. Clearing House exercises all in-the-money and abandons all at- and out-of-the-money (at-the-money fixing price is

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¹ CME European-style FX options contracts may be traded directly on the CME Globex platform until expiration at 9:00 a.m. on Fridays. These options positions may also be hedged with the underlying futures contracts traded both on the trading floor and the CME Globex platform. Also, in addition to trading the CME European-style options on the CME Globex platform, customers wanting to trade on economic release numbers issued on Friday mornings could trade the current American-style CME FX options, which remain listed under existing conventions.

considered out-of-the-money) CME European-style FX options based on the “CME currency fixing price.”

- g. The methodology for calculating the CME currency fixing price is composed of several “tiers” and is consistently applied to each nearby currency futures contract underlying the European-style option. Depending upon the pricing history unique to each currency futures contract, the resulting CME currency fixing price calculations can be based on varying tiers. For example, if in the future CME lists European-style Mexican peso or Australian dollar options contracts, then the theoretical CME Mexican peso currency fixing prices might be based on Tier 2 (when listed for trading at a future date), but the British pound, Canadian dollar, Swiss franc, Euro FX and Japanese yen fixings might be based only on Tier 1 on the same day.

Tier 1 Take the two-minute average of sale (trade) prices, weighted by volume where available, from 8:58 to 9:00 a.m. Central time on the day of determination of the CME currency fixing price.

Tier 2 If no sales (trades) occurred during the two-minute interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the two-minute interval. However, when looking at each bid / ask spread, if it is wider than a specified number of points (inputted variable, e.g., 3 points for Euro and Japanese yen, 4 points for British pound, etc.), then ignore that average bid & ask pair in the calculation.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the two-minute interval, then take the five-minute average of sale (trade) prices, weighted by volume where available, from 8:55 to 9:00 a.m. Central time.

Tier 4 If no sales (trades) occurred during the five-minute interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the five-minute interval. However, when looking at each bid / ask spread, if it is wider than a specified number of points (inputted variable, e.g., 3 points for Euro and Japanese yen, 4 points for British pound, etc.), then ignore that average bid & ask pair in the calculation.

Tier 5 If no sales (trades) and no bid and ask prices occurred during the five-minute interval, then Exchange staff shall take into consideration any other information it deems appropriate to determine the CME currency fixing price for that day. This information may include, but is not limited to the following, and the procedures to determine the information may be performed in any order by Exchange staff: (1) repeat the steps described in Tiers 3 or 4 at ever increasing five-minute increments (e.g., intervals of 10, 15, 20, etc. minutes) until data is obtained; (2) derive synthetic futures prices from quote vendor spot rates and appropriate maturity forward points; and (3) set the CME currency fixing price using any other information or method deemed appropriate.

- h. Therefore, knowledge of the forced exercise of all in-the-money options combined with automatic forced abandonment of all at- and out-of-the-money options enable the Clearing House, clearing firms and their customers to predict shortly after 9:00 a.m. Central time on Friday, which expiring FX options positions will be assigned futures positions. Therefore, customers/clearing firms will know to hedge or trade out of the newly assigned futures positions at a time when the futures and OTC markets are open and trading. Since the OTC

FX options market also values its expiring options at 9:00 a.m. Central time each day, OTC market participants can look at their combined OTC options, futures and European-style futures options books at the same time and make appropriate trading decisions. This compatibility will make CME European-style FX options appealing to OTC FX options traders.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583.

3. ALL-OR-NONE TRADING

All-Or-None (AON) trading for all of the CME European-style FX options contracts are allowed at minimum thresholds of 100 contracts. AON trading will be conducted in same location as regular pit-trading of the respective currency options pits.

If you have any questions, please contact Lori Aldinger, Associate Director, Financial Product Development, at (312) 930-2337.

4. BLOCK TRADING

Block trading is allowed in all of the CME European-style FX options on futures contracts at minimum thresholds of 250 contracts. Block trading of underlying futures contracts is not allowed.

If you have any questions, please contact Lori Aldinger, Associate Director, Financial Product Development, at (312) 930-2337.

5. CME Globex ERROR TRADE POLICY

The standard CME Globex error trade policy for CME foreign exchange options applies to all of the CME European-style FX options as follows:

Currency Options

Any premium level

20% of premium (up to 10 ticks with a minimum of 1 tick) or less

If you have any questions, please contact the CME Globex Control Center at (312) 456-2391.

6. CME Globex PRICE BANDS

There are no price limits for CME Globex or for floor trading CME European-style FX contracts, and if the underlying futures were to be under a lock limit situation, then trading of the options would be halted. However, for CME Globex trading, automated price banding prevents execution of orders at prices falling outside of defined spreads. For the CME European-style exercise foreign exchange options, price banding on CME Globex is a fixed width based on the delta of the option. For delta levels " ≤ 0.10 ," price band = 6 ticks; delta levels " > 0.10 and ≤ 0.25 ," price band = 12 ticks; delta levels of " > 0.25 and ≤ 1.00 ," price band = 20 ticks. Price banding prevents the entry of limit orders more than a pre-determined amount above the last price in the case of bids and more than the same pre-determined amount below the last price in the case of offers. The band "shadows" the currency futures or options price as it reacts to new transaction prices, higher bids and lower offers. The CME Globex bands minimize inadvertent price entries into CME Globex.

If you have any questions, please contact the CME Globex Control Center at (312) 456-2391.

7. PIT LOCATION AND TRADING FLOOR PRICE DISPLAYS

The three new CME European-style FX options will be traded in the same trading areas as the corresponding American-style options pits. Hence, European-style British pound options will be traded in the American-style British pound options pit and the European-style Canadian dollar options will be traded in the American-style Canadian dollar options pit and the European-style Swiss franc options will be traded in the same pit along with the American-style Swiss franc and Euro FX options, and the European-style Euro FX options.

Initially, the three new CME European-style FX options prices will be displayed on the scrolling options wallboards for each corresponding contract along with its existing American-style counterpart. The British Pound will be displayed on the West scrolling wallboard, the Canadian Dollar will be on the South scrolling wallboard and the Swiss Franc will be on the North scrolling wallboard. Sales, bid and ask prices will appear as they occur on these scrolling FX options price displays. Also, the daily "CME currency fixing prices" for the new European-style British Pound, Canadian Dollar and Swiss Franc options contracts will appear on the Center West Span Board, which is the same location where the CME fixing prices for the Euro FX and Japanese Yen contracts are posted. The daily "CME currency fixing prices" are calculated from price and volume data for the futures contract month underlying the next to expire CME European-style FX option. These "CME currency fixing prices" are used to determine which options are in-the-money and exercised at expiration.

If you have any questions, please contact Mike Briskey, Associate Director, Trading Floor Operations, at (312) 930-4567 or Lupe Garcia, Associate Director, Trading Floor Operations, at (312) 930-8261.

8. MEMBERSHIP ACCESS / NEW PRODUCT ACCESS PROGRAM

As options products, the new CME European-style FX options contracts are allocated to the IOM Division and are included in the Exchange's New Product Access Program (CME Rule 194.– NEW PRODUCT ACCESS PROGRAM). GEM members trading these products will be charged lessee clearing fee rates rather than out-of-division rates for a limited time.

GEM members wanting to spread CME European-style FX options with outright CME British pound futures, CME Canadian dollar futures and CME Swiss franc futures, or the counterpart American-style options, (i.e., IMM futures or IOM options) would have to enter orders for those trades either simultaneously with or after the European-style FX options leg (see INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS; CME Web site link: <http://rulebook.cme.com/rulebook10872.html>).

If you have any questions, please contact Lori Aldinger, Associate Director, Financial Product Development, at (312) 930-2337.

9. REPORTABLE POSITION LEVELS FOR CME EUROPEAN-STYLE FX OPTIONS

The minimum levels at which positions must be reported to the Exchange is 25 contracts pursuant to CME Rule 561.B.

If you have any questions, please call Steve Mair, Manager, Currency Surveillance, at (312) 466-4382.

10. FX INCENTIVE PROGRAMS

As you were notified previously in CME Update / May 2006, on April 4, 2006, the Exchange approved the extension of several FX incentive programs including the following:

For FX options, a one year extension through April 30, 2007 for:

- The currently reduced CME Globex customer fee of \$0.25 (from \$1.00) for FX options. This fee reduction lowers the blended rate to \$0.85 (CME Globex fee plus clearing fee) from the previous rate of \$1.60. CME Globex fee applies to both European and American style options.
- The CME Globex fee waiver for designated automated market makers on European-style options on FX products.

If you have any questions, please contact Scott Brusso, Director, Foreign Exchange at (312) 930-3133 or Dave Schulz, Associate Director, Foreign Exchange at (312) 930-3426.

11. OPTIONS CONTRACT MONTH LISTING PROCEDURES

March Quarterlies on Trading Floor: For the trading floor, CME will list the next March quarterly options contract month not yet listed for trading on the business day following termination of the nearby March quarterly options contract month on the trading floor. Therefore, CME will list the September 2007 options contract month on the trading floor on the morning of Friday, September 8, 2006, which is the business day following the Thursday, September 7, 2006, termination of trading day for the September 2006 options contract month on the trading floor.

March Quarterlies on the CME Globex Platform: For CME Globex trading, CME will list the next March quarterly options contract month not yet listed for trading on the CME Globex platform on the evening (5:00 p.m.) of the termination of trading day for the nearby March quarterly options contract month on the trading floor. Therefore, for the European style options on CME British pound, CME Canadian dollar and CME Swiss franc futures, CME will list the September 2007 options contract month on CME Globex on the evening of Thursday, September 7, 2006 for the CME Globex trade date of Friday, September 8, 2006, which is the business day following the Thursday, September 7, 2006, termination of trading day on the trading floor for the September 2006 options contract month.

Serials on Trading Floor & the CME Globex Platform: Ordinarily, the November 2006 serial options contract month would have been listed for trading on the trading floor on Friday, August 4, 2006, the business day following theoretical termination of trading for the unlisted August 2006 first serial contract month on Thursday, August 3, 2006. However, CME chose to list the November 2006 serial options contract month early on the start date for the three new options contracts on Sunday, July 30, 2006. Therefore, the first new serial month listed for trading will be the January 2007 contract listed for trading on the CME Globex platform on the evening (5:00 p.m.) of the termination of trading day for then nearby October 2006 serial options contract month. Therefore, for the European style options on CME British pound, CME Canadian dollar and CME Swiss franc futures, CME will list the January 2007 options contract month on CME Globex on the evening of Thursday, October 5, 2006, for the CME Globex trade date of Friday,

October 6, 2006, which is the business day following the Thursday, October 5, 2006, termination of trading day on the trading floor for the October 2006 options contract month. The January 2007 serial options contract month will be listed for trading on the trading floor on Friday, October 6, 2006, the business day following termination of trading for the October 2006 nearby serial options contract month on the trading floor.

Weeklies on Trading Floor & the CME Globex Platform: CME will list for trading on the trading floor, the "September 15, 2006" weekly options, on Friday, August 11, 2006, the business day following the Thursday, August 10, 2006 termination of trading on the trading floor for the "August 11, 2006" weekly option. CME will list for trading on CME Globex, the "September 15, 2006" weekly options, on the evening of Thursday, August 10, 2006, for the CME Globex trade date of Friday, August 11, 2006, which is the business day following termination of trading on the trading floor for the "August 11, 2006" weekly options.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583.

12. REVISED CME RULEBOOK CONTRACT TERMS

Amendments will now apply to five CME European-style foreign exchange contracts (existing CME Rulebook chapters 251A, 252A, 253A, 254A, 261A.). Initially, on Sunday, April 3, 2005, CME listed only CME Euro FX and CME Japanese Yen European-style foreign exchange options for trading. Therefore, previously only CME Rules 261.A. and 253.A. were published with these amendments in the electronic rulebook on the CME Web site. With the listing of three additional European-style foreign exchange options (BP, CD & SF) on Sunday, July 30, 2006, CME will also publish these rule amendments for CME Rulebook Chapters 251A, 252A and 254A.

Additions are underlined and deletions are bracketed with strikeouts. CME will insert the appropriate Chapter numbers 251, 252 and 254 into the blank spaces. A copy of the amended rules follows with additions underlined, and deletions bracketed and overstruck.

AMENDMENTS FOR SELECT² EUROPEAN-STYLE EXERCISE OPTIONS ON FOREIGN EXCHANGE FUTURES

___A00. SCOPE OF CHAPTER

This chapter is limited in application to trading put and call options on [enter name of currency, e.g., Euro] futures contracts. Separate contracts as indicated shall be listed for trading specifying American-style exercise and European-style exercise. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

___A01. OPTION CHARACTERISTICS

___A01.H. Termination of Trading for American-Style Exercise Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange

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² Selection includes Options on British Pound Sterling Futures, Options on Canadian Dollar Futures, Options on Japanese Yen Futures, Options on Swiss Franc Futures, and Options on Euro Futures.

holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

A01.I. Termination of Trading and Expiration Days for European-Style Exercise Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually at 9:00 a.m. Central time). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on the business day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. Central time on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually at 9:00 a.m. Central time). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on the business day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. Central time on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

The options expire (usually at 9:00 a.m. Central time) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on those business days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. Central time on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections 1 and 2. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

[Rules ____A01.I and ____A01.J. are re-lettered ____A01.J and ____A01.K.]

____A02. LISTING OF EXERCISE PRICES [Rule is unchanged.]

____A03. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on [enter name of currency, e.g., Euro] futures. Both American-style and European-style exercise options on currency futures are available for trading.

____A03.A.1. Exercise of American-Style Exercise Options by Buyer

An option may be exercised by the buyer on any business day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Central time on the day of exercise.

All [enter name of currency, e.g., Euro] options that are in the money³ and have not been liquidated or exercised prior to the termination of trading, shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Central time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

A03.A.2. Exercise of European-Style Exercise Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from pit-traded and GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the two-minute average of sale (trade) prices, weighted by volume where available, from 8:58 to 9:00 a.m. Central time on the day of determination of the CME currency fixing price.
- Tier 2 If no sales (trades) occurred during the two-minute interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the two-minute interval. However, when looking at each bid / ask spread, if it is wider than a specified number of points (inputted variable, e.g., 3 points for Euro, 6 points for British pound, etc.), then ignore that average bid & ask pair in the calculation.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the two-minute interval, then take the five-minute average of sale (trade) prices, weighted by volume where available, from 8:55 to 9:00 a.m. Central time.
- Tier 4 If no sales (trades) occurred during the five-minute interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the five-minute interval. However, when looking at each bid / ask spread, if it is wider than a specified number of points (inputted variable, e.g., 3 points for Euro, 6 points for British pound), then ignore that average bid & ask pair in the calculation.
- Tier 5 If no sales (trades) and no bid and ask prices occurred during the five-minute interval, then Exchange staff shall take into consideration any other information it deems appropriate to determine the CME currency fixing price for that day. This information may include, but is not limited to the following, and the procedures to determine the information may be performed in any order by Exchange staff: (1) repeat the steps described in Tiers 3 or 4 at ever increasing five-minute increments (e.g., intervals of 10, 15, 20, etc. minutes) until data is obtained; (2) derive synthetic futures prices from quote vendor spot rates and appropriate maturity forward points; and (3) set the CME currency fixing price using any other information or method deemed appropriate.

The calculation of the CME currency fixing price at Tiers 1 to 5 shall be rounded to each contract's Price Increment's definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

A03.B. Assignment

Exercise notices either accepted from buyers of American-style exercise options or created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. American-style or European-style option characteristics shall be considered a criterion for same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

End of revisions

³ An option is in the money if the settlement price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583.

13. Selected Quote Vendor Symbols

Vendor Name	System Name	British Pound CME Globex® (Quarterly/Serial)	British Pound Open Outcry (Quarterly/Serial)	British Pound Open Outcry (Weekly)	British Pound CME Globex® (Weekly)	British Pound AON	British Pound Fixing Price
		XB	YB	1P - 5P	XB1 - XB5	0P	YB
Bloomberg	Bloomberg	BYA ELEC Crncy	BYA PIT Crncy	N/A	N/A	B1A Crncy	N/A
Comstock	Comstock						
CQG Inc.	CQG	XB	YB	N/A	N/A	N/A	N/A
Data Transmission Network		N/A	N/A	N/A	N/A	N/A	N/A
E-Signal	eSignal	XB	YB	1P - 5P	XB1 - XB5	0P	YB
Futuresource	Futures Source	XB	XB	N/A	N/A	XB	N/A
Hyperfeed/PC Quote							
Thomson	ILX Workstation	CCP/CCC	CAP/CAC	N/A	N/A	CNP/CNC	N/A
Reuters	IDN (ETH)						
Bridge	BIS	@xb	@yb	@1p-@5p	@1xb-@5xb	@Op	N/A
Track Data	MX	XF'	XL'	N/A	N/A	N/A	XL'
TradeStation		XB	YB1.P	1P.P-5P.P	XB1-XB5	OP	\$YBY

Vendor Name	System Name	Canadian Dollar CME Globex® (Quarterly/Serial)	Canadian Dollar Open Outcry (Quarterly/Serial)	Canadian Dollar Open Outcry (Weekly)	Canadian Dollar CME Globex® (Weekly)	Canadian Dollar AON	Canadian Dollar Fixing Price
		XD	YD	1D - 5D	XD1 - XD5	0K	YD
Bloomberg	Bloomberg	CZA ELEC Crncy	CZA PIT Crncy	N/A	N/A	CBA Crncy	N/A
Comstock	Comstock						
CQG Inc.	CQG	XD	YD	N/A	N/A	N/A	N/A
Data Transmission Network		N/A	N/A	N/A	N/A	N/A	N/A
E-Signal	eSignal	XD	YD	1D - 5D	XD1 - XD5	0K	YD
Futuresource	Futures Source	XD	XD	N/A	N/A	XD	N/A
Hyperfeed/PC Quote							
Thomson	ILX Workstation	CDP/CDC	DAP/DAC	N/A	N/A	DNP/DNC	N/A
Reuters	IDN (ETH)						
Bridge	BIS	@xd	@dy	@1d-@5d	@1xd-@5xd	@Ok	N/A
Track Data	MX	XI'	XM'	N/A	N/A	N/A	XM'
TradeStation		XD	YD1.P	1D.P-5D.P	XD1-XD5	OK	\$YDY

Vendor Name	System Name	Swiss Franc CME Globex® (Quarterly/Serial)	Swiss Franc Open Outcry (Quarterly/Serial)	Swiss Franc Open Outcry (Weekly)	Swiss Franc CME Globex® (Weekly)	Swiss Franc AON	Swiss Franc Fixing Price
		XS	YS	1W - 5W	XS1 - XS5	0G	YS
Bloomberg	Bloomberg	SGA ELEC Crncy	SGA PIT Crncy	N/A	N/A	SHA Crncy	N/A
Comstock	Comstock						
CQG Inc.	CQG	XS	YS	N/A	N/A	N/A	N/A
Data Transmission Network		N/A	N/A	N/A	N/A	N/A	N/A
E-Signal	eSignal	XS	YS	1W - 5W	XS1 - XS5	0G	YS
Futuresource	Futures Source	SX	SX	N/A	N/A	SX	N/A
Hyperfeed/PC Quote							
Thomson	ILX Workstation	SFP/SFC	FAP/FAC	N/A	N/A	FNP/FNC	N/A
Reuters	IDN (ETH)						
Bridge	BIS	@xs	@ys	@1w-@5w	@1xs-@5xs	@0g	N/A
Track Data	MX	XK'	XN'	N/A	N/A	N/A	XN'
TradeStation		XS	YS.P	1W.P-5W.P	XS1-XS5	OG	\$YSY

Vendor Name	System Name	Weekly Options Side-by-side Ticker Symbols		Weekly Options Globex® Ticker Symbols		RTH Ticker Symbol		CME Globex® Ticker Symbol		AON Symbol		Fixing Symbol	
		Euro FX	Japanese Yen	Euro FX	Japanese Yen	Euro FX	Japanese Yen	Euro FX	Japanese Yen	Euro FX	Japanese Yen	Euro FX	Japanese Yen
		1T-5T	1Y-5Y	1Q-5Q	10-50 (5-oh)	YT	YJ	XT	XJ	OT (zero-tee)	0J	YT	YJ
Bloomberg	Bloomberg	1TA-5TA	1VA-5VA	G1TA-G1TA	G1VA-G5VA	YTA	YJA	GYTA	GYJA	WTA	WJA	YT	YJ
Comstock	Comstock	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CQG Inc.	CQG	N/A	N/A	N/A	N/A	YT	YJ**	XT	XJ**	N/A	N/A	EUY	JYY
Data Transmission Network		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
E-Signal	eSignal	1T-5T	1Y-5Y	1Q-5Q	10-50 (5-oh)	YT	YJ	XT	XJ	N/A	N/A	YT A0	YJ A0
Futuresource	Futures Source	YT	XJ	YT	XJ	YT/	XJ	YT	XJ	YT	XJ	YT	XJ
Hyperfeed/PC Quote		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Thomson	ILX Workstation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reuters	IDN (ETH)	<0#YJW+>	<0#YJW+>	<0#YJW+>	<0#YJW+>	<0#YT+>	<0#YJ+>	<0#XT+>	<0#XJ+>	<0#T+>	<0#J+>	<.YTY2>	<.YJY2>
Bridge	BIS	US@1T-5T	US@1Y-5Y	US@1Q-5Q	US@10-50	US@YT	US@YJ	US@XT	US@XJ	US@0T	US@0J	US@YT	US@YJ

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Track Data	MX	N/A	N/A	N/A	N/A	X`	XB`	XT`	XJ`	N/A	N/A	X`	XB`
TradeStation		1T-5T	1Y-5Y	1Q-5Q	1O-5O	YT.P	YJ.P	YT	YJ	OT.P	OJ.P	\$YTY	\$YJY

14. CME® EUROPEAN-STYLE FOREIGN EXCHANGE OPTIONS*

	British Pound Options***	Canadian Dollar Options***	Euro FX Options**	Japanese Yen Options**	Swiss Franc Options***
Trading Unit	One British pound futures contract	One Canadian dollar futures contract	One Euro FX futures contract	One Japanese yen futures contract	One Swiss franc futures contract
Ticker Symbol	CME Globex® (Quarterly/Serial): XB Open Outcry (Quarterly/Serial): YB Open Outcry (Weekly): 1P-5P CME Globex (Weekly): XB1-XB5 AON: 0P Fixing Price: ZYB	CME Globex (Quarterly/Serial): XD Open Outcry (Quarterly/Serial): YD Open Outcry (Weekly): 1D-5D CME Globex (Weekly): XD1-XD5 AON: 0K Fixing Price: ZYD	CME Globex (Quarterly/Serial): XT Open Outcry (Quarterly/Serial): YT Open Outcry (Weekly): 1T-5T CME Globex (Weekly): 1Q-5Q AON: 0T Fixing Price: ZYT	CME Globex (Quarterly/Serial): XJ Open Outcry (Quarterly/Serial): YJ Open Outcry (Weekly): 1Y-5Y CME Globex (Weekly): 1O-5O AON: 0J Fixing Price: ZYJ	CME Globex (Quarterly/Serial): XS Open Outcry (Quarterly/Serial): YS Open Outcry (Weekly): 1W-5W CME Globex (Weekly): XS1-XS5 AON: 0G Fixing Price: ZYF
Minimum Tick Size	\$\$.0001 per pound sterling (equal to \$.625).	\$.0001 per Canadian dollar (equal to \$10.00). \$.00005 per Canadian dollar (\$.50) for option prices of \$.00045 or less.	\$.0001 per Euro (equal to \$12.50). \$.00005 per Euro (\$.625) for option prices of \$.00045 or less.	\$.000001 per Japanese yen (equal to \$12.50). \$.0000005 per Japanese yen (\$.625) for option prices of \$.0000045 or less.	\$.0001 per Swiss franc (equal to \$12.50). \$.00005 per Swiss franc (\$.625) for option prices of \$.00045 or less.
Regular Strike Prices	\$.01, e.g., \$1.45, \$1.46, \$1.47, etc.	\$.005, e.g., \$.700, \$.705, \$.710, etc.	\$.005, e.g., \$1.055, \$1.060, \$1.065, etc.	\$.00005, e.g., \$.00425, \$.00430, \$.00435, etc.	\$.005, e.g., \$.455, \$.460, \$.465, etc.
Initial Strikes Listed	At-the-money strike plus 24 higher and 24 lower (+/- 24 on CME Globex)	At-the-money strike plus 16 higher and 16 lower (+/- 16 on CME Globex)	At-the-money strike plus 24 higher and 24 lower (+/- 24 on CME Globex)	At-the-money strike plus 30 higher and 30 lower (+/- 30 on CME Globex)	At-the-money strike plus 12 higher and 12 lower (+/- 12 on CME Globex)
Position Accountability	A person owning/controlling a combination of options and underlying futures contracts that exceed 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning/controlling a combination of options and underlying futures contracts that exceed 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning/controlling a combination of options and underlying futures contracts that exceed 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning/controlling a combination of options and underlying futures contracts that exceed 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning/controlling a combination of options and underlying futures contracts that exceed 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.
Price Limits	Trading halted when underlying futures is locked limit (currently, no underlying futures limits). Options price banding on CME Globex is a fixed width based on the delta of the option. For delta levels "≤0.10," price band = 6 ticks; delta levels ">0.10 and ≤0.25," price band = 12 ticks; delta levels of ">0.25 and ≤1.00," price band = 20 ticks.				
Expiration Months	Four option contract months in the March Quarterly Cycle (Mar, Jun, Sep, Dec), and two option contract months not in the March Quarterly Cycle, that is, serial months (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov), plus four weekly expirations will trade on CME Globex and the trading floor.				
Expiration Day	Quarterly & Serial (Monthly) Options: Options expire on the second Friday immediately preceding the third Wednesday of the contract month usually at 9:00 a.m. (Chicago time) Weeklies: Options expire usually at 9:00 a.m. (Chicago time) on Fridays not also an expiration for quarterly and serial (monthly) options				
Termination of Trading	Quarterly & Serial (Monthly) Options: Floor trading terminates at the normal Regular Trading Hours (RTH) closing time (usually 2:00 p.m. Chicago time) on the business day preceding the expiration of the contract month. CME Globex platform trading terminates at 9:00 a.m. (Chicago time) on the expiration day. Weeklies: Floor trading terminates at the normal RTH closing time (usually 2:00 p.m. Chicago time) on those business days preceding expiration of the weekly options that are not the termination of a quarterly or serial European-style option. CME Globex platform trading terminates at 9:00 a.m. (Chicago time) on the expiration day.				
Delivery	Exercises into a physical delivery futures contract				
Exercise	European-style: All in-the-money options are automatically exercised at expiration. All European-style at-the-money and out-of-the-money options are abandoned by the Clearing House on the option expiration day. To determine whether an option is in or out of the money on this day, the Exchange calculates a "CME currency fixing price" from pit-traded and CME Globex-traded underlying futures contracts at 9:00 a.m. (Chicago time) on the European-style option expiration day.				
Trading Hours	Open Outcry Monday through Friday: 7:20 a.m.-2:00 p.m. (Chicago time); occurs side-by-side with CME Globex trading. CME Globex Sunday through Friday: 5:00 p.m. (trading opens for next trade date) to 4:00 p.m. following day. On Friday CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.				

*All contract terms specified here are the same as for American-style options except for the termination of trading day and the exercise. **Euro FX and Japanese Yen European Style FX Options listed for trading on April 3, 2005. ***British Pound, Canadian Dollar and Swiss Franc European Style FX Options will be listed for trading on Sunday, July 30, 2006.