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Special Executive Report

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Technical Clarification to Exchange Rules governing CME Eurodollar 5-Year E-mini Bundles

Chicago Mercantile Exchange amends the Rules governing the CME Eurodollar 5-Year E-mini Bundles contract to clarify the delivery procedure at the expiration of the contract. At the expiration of the contract, only CME Eurodollar E-mini futures positions will be established to satisfy the requirement of the contract, as opposed to a combination of regular and CME Eurodollar E-mini futures. This provides more flexibility for the clearing firms to appropriately allocate the underlying positions after the expiration of the CME Eurodollar 5-Year E-mini Bundles. The amendment does not affect the economic value of the positions.

The text of the rule amendments are as follows, with additions underlined and deletions bracketed overstruck.

CHAPTER 456 E-Mini Five-Year Eurodollar Bundle Futures

45603. SETTLEMENT PROCEDURES

45603.B. Final Settlement

Clearing members holding open positions in a Eurodollar futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price. The Clearing House shall also exchange the E-mini Five-Year Eurodollar Bundle futures with the equivalent underlying [~~Eurodollar Futures and~~] E-mini Eurodollar futures. E.g. a long position of 237 contracts of the E-mini Five-Year Eurodollar Bundle futures shall be extinguished and a long position of [~~23 contracts each of the underlying twenty (20) consecutive expirations of Eurodollar futures and 7~~] 237 contracts each of the underlying twenty consecutive expirations of E-mini Eurodollar futures shall be established.

[The remainder of the chapter remains unchanged.]

If you have any questions, please contact Mr. Richard Co, Financial Research, at 312-930-3227, or Mr. Peter Barker, Interest Rate Products, at 312-930-8554.