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Special Executive Report

S-4477

July 26, 2006

NEW DUAL TRADING RESTRICTION ON 1ST POSITION LIVE CATTLE FUTURES TO BE LIFTED ON LAST TEN BUSINESS DAYS OF TRADING; AND REMINDER OF UPCOMING RESTRICTED CONTRACT MARKETS FOR RULE 552 – DUAL TRADING RESTRICTIONS¹

On Thursday, July 20, 2006, the Exchange approved a revised procedure lifting the new dual trading restriction for first position CME Live Cattle futures on the last ten (10) business days of trading for the expiring contract month. A subsequent review of historical volume information indicated that liquidity in the expiring CME Live Cattle futures contract month decreased markedly during the last ten business days of trading, which justified the removal of the dual trading restriction during this interval.

As you were previously notified in CME Special Executive Report S-4455, dated Thursday, June 1, 2006, and again in the June 2006 CME Update, Volume 6, on Tuesday, May 16, 2006, the Exchange approved the same CME dual trading restricted markets as last quarter, EXCEPT that dual trading restrictions will become effective for 1st position Live Cattle futures, 1st March quarterly position S&P 500 options and 3rd March quarterly position One-Year Eurodollar MidCurve options, effective Friday, September 1, 2006. The Exchange had reviewed historical volume data in these markets and confirmed they are now deemed “mature and liquid” under CME Rule 552 – **DUAL TRADING RESTRICTIONS** and subject to the dual trading restrictions. Please note that with respect to the 3rd March quarterly position Eurodollar MidCurve options dual trading restriction, the Broker Association customer association percentage will apply.

- **CME EURODOLLAR FUTURES:** Dual trading is restricted in the first, second, third, fourth, fifth, sixth, seventh, eighth and ninth March quarterly cycle contract month position CME Eurodollar (ED) futures, up to and including the termination of trading day for the expiring contract month.
- **CME EURODOLLAR OPTIONS:** Dual trading is restricted in (1) first, second, third, fourth and fifth contract month position CME Eurodollar (ED) March quarterly cycle options; (2) first and second serial month ED options; (3) first and second position March quarterly cycle One-Year ED MidCurve options; and (4) first and second position serial month One-Year ED MidCurve options, up to but not including the last five business days of the contract month. **However, effective Friday, September 1, 2006, dual trading will be prohibited also in the third position March quarterly cycle One-Year ED MidCurve options.**

¹ See also “FREQUENTLY ASKED QUESTIONS AND ANSWERS CONCERNING CME RULE 552 (“DUAL TRADING RESTRICTIONS”), Special Executive Report, S-4478, dated July 26, 2006, for more information on CME Rule 552 and its exceptions.

- **CME LIVE CATTLE FUTURES: Dual trading is restricted in the first contract month position CME Live Cattle futures, up to but not including the last ten business days of the contract month, effective Friday, September 1, 2006.**
- **CME S&P 500 STOCK PRICE INDEX OPTIONS: Dual trading is restricted in the first March quarterly contract month position CME S&P 500 options, up to but not including the last five business days of the contract month, effective Friday, September 1, 2006.**

Note that the Exchange may amend this list of restricted contracts and contract months in the future. The Exchange reviews historical volume data on at least a quarterly basis in order to determine those contracts and contract months that are deemed mature and liquid according to Rule 552. The next quarterly review will occur during the period July through September 2006. Any new restrictions on dual trading will occur only after prior notice to shareholder/members. Dual trading will be restricted for those contracts and contract months deemed mature and liquid by the Exchange.

EFFECTIVE DATES OF DUAL TRADING RESTRICTIONS ON CME PRODUCTS

The following schedule details the effective periods of the dual trading restrictions by contract month for CME products. Upcoming changes to the restricted list appear in boldfaced type, whereas current restrictions are shown in regular type.

		----DUAL TRADING RESTRICTION----				
CME Product	Contract Month	Restricted Dates			Date Lifted	Termination of Trading Date
ED Futures	Sep. 2006	6/15/04	To	9/18/06	n.a.	9/18/06
(Mar. Quarterlies)	Dec. 2006	9/14/04	To	12/18/06	n.a.	12/18/06
	Mar. 2007	12/14/04	To	3/19/07	n.a.	3/19/07
	Jun. 2007	3/15/05	To	6/18/07	n.a.	6/18/07
	Sep. 2007	6/14/05	To	9/17/07	n.a.	9/17/07
	Dec. 2007	9/20/05	To	12/17/07	n.a.	12/17/07
	Mar. 2008	12/20/05	To	3/17/08	n.a.	3/17/08
	Jun. 2008	3/14/06	To	6/16/08	n.a.	6/16/08
	Sep. 2008	6/20/06	To	9/15/08	n.a.	9/15/08
	Dec. 2008	9/19/06	To	12/15/08	n.a.	12/15/08
ED Options	Sep. 2006	6/14/05	To	9/11/06	9/12/06	9/18/06
(Mar. Quarterlies)	Dec. 2006	9/20/05	To	12/11/06	12/12/06	12/18/06
	Mar. 2007	12/20/05	To	3/12/07	3/13/07	3/19/07
	Jun. 2007	3/14/06	To	6/11/07	6/12/07	6/18/07
	Sep. 2007	6/20/06	To	9/10/07	9/11/07	9/17/07
	Dec. 2007	9/19/06	To	12/10/07	12/11/07	12/17/07
ED Options	Jul. 2006	4/18/06	To	7/10/06	7/11/06	7/17/06
(Serials)	Aug. 2006	5/16/06	To	8/7/06	8/8/06	8/14/06
	Oct. 2006	7/18/06	To	10/6/06	10/10/06	10/16/06
	Nov. 2006	8/15/06	To	11/6/06	11/7/06	11/13/06
	Jan. 2007	10/17/06	To	1/5/07	1/8/07	1/12/07
	Feb. 2007	11/14/06	To	2/9/07	2/12/07	2/16/07
1-Yr. MidCurve Options						

(Mar. Quarterlies)	Sep. 2006	3/14/06	To	9/11/06	9/12/06	9/18/06
	Dec. 2006	6/20/06	To	12/11/06	12/12/06	12/18/06
	Mar. 2007	9/1/06	To	3/12/07	3/13/07	3/19/07
	Jun. 2007	9/19/06	To	6/11/07	6/12/07	6/18/07
----DUAL TRADING RESTRICTION----						
CME Product (Continued)	Contract Month	Restricted Dates		Date Lifted	Termination of Trading Date	
1-Yr. MidCurve Options						
(Serials)	Jul. 2006	4/18/06	To	7/10/06	7/11/06	7/17/06
	Aug. 2006	5/16/06	To	8/7/06	8/8/06	8/14/06
	Oct. 2006	7/18/06	To	10/6/06	10/10/06	10/16/06
	Nov. 2006	8/15/06	To	11/6/06	11/7/06	11/13/06
	Jan. 2007	10/17/06	To	1/5/07	1/8/07	1/12/07
	Feb. 2007	11/14/06	To	2/9/07	2/12/07	2/16/07
Live Cattle Futures						
(Feb., Apr., Jun., Aug., Oct., Dec.)	Oct. 2006	9/1/06	To	10/17/06	10/18/06	10/31/06
	Dec. 2006	11/1/06	To	12/14/06	12/15/06	12/29/06
S&P 500 Options						
(Mar. Quarterlies)	Sep. 2006	9/1/06	To	9/7/06	9/8/06	9/14/06
	Dec. 2006	9/15/06	To	12/7/06	12/8/06	12/14/06

n.a. = not applicable (restriction continues through and including termination of trading day).

If you have any questions regarding the dual trading restrictions, please contact Eric Wolff, Managing Director, Regulatory Affairs, at (312) 930-3255 or Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583.