



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

312/930.1000 tel
312/466.4410 fax

Special Executive Report

S-4497

September 18, 2006

Exchange To List CME® Eurodollar 5-Year E-mini Bundles and CME Eurodollar E-mini Futures on October 8, 2006

On Sunday, October 8, 2006, Chicago Mercantile Exchange Inc. will list for trading the CME 5-Year Eurodollar E-mini Bundle and its companion CME Eurodollar E-mini Futures contracts. These contracts shall be available for trading exclusively on the CME Globex® platform and will have the same trading hours as the CME Eurodollar futures on CME Globex.

The new Eurodollar E-mini Bundles shall prove to be an enhancement to the existing Eurodollar futures bundles trade by encapsulating the exposure to the 20 quarterly Eurodollar expirations in a convenient, free-standing futures instrument.

The existing Eurodollar bundle is a combination trade of the individual Eurodollar futures. In the case of the 5-year Eurodollar bundle, a single trade is negotiated for the simultaneous trade of 20 consecutive quarterly expirations in Eurodollar futures. As such, the quoting convention for the combination trade calls for an average net change in the prices of the individual contracts from the previous day's settlement, e.g. net +1 basis point, etc.

The new Eurodollar E-mini Bundle is designed to be a free-standing futures contract quoted in the more natural price based convention, viz, the actual average price of the underlying Eurodollar futures, e.g. 94.6775. This price convention is very similar to the Eurodollar futures, with the exception of the minimum price fluctuation always being 0.0025 IMM index points. To translate back to the convention in the regular Eurodollar bundle, it is as simple as reading the net change line of the E-mini bundle prices.

Also, unlike a trade in the regular Eurodollar bundle resulting in positions in 20 consecutive quarterly Eurodollar futures, a trade in the Eurodollar E-mini Bundle will establish a futures position in E-mini Bundle itself. At the expiration of the E-mini Bundle, the E-mini Bundle shall be decomposed into the component Eurodollar futures positions.

Further, to maintain fungibility between Eurodollar futures and the E-mini Bundles, the E-mini Bundles shall be settled, on a daily basis, to the average settlement prices of the underlying Eurodollar futures. The settlement price shall be rounded to the nearest 0.00001 (\$0.05). Much like the relationship between the regular-sized and E-mini equity index futures at the CME, the positions in the E-mini Bundles and their equivalent Eurodollar futures positions can be offset by sending instructions to the CME Clearing House.

To further enhance the trade-ability of the E-mini Bundle, the new contract will be sized at \$100,000 notional value, meaning that 10 E-mini Bundles are equivalent to one each of the regular CME Eurodollar futures. In doing so, the E-mini Bundle is sized at a comparable level to leading fixed income note and bond futures. To facilitate this 10-to-1 relationship, CME will simultaneously list the CME Eurodollar E-mini futures, which are 1/10th the size of the regular CME Eurodollar futures. One can consider a Eurodollar E-mini futures contract as a one-tenth position of the regular Eurodollar futures, and can be offset against one another at the same 10-to-1 ratio. The CME Eurodollar E-mini futures shall have exactly the same characteristics as the regular Eurodollar futures, except for the notional size of \$100,000.

Therefore, at the expiration of the Eurodollar 5-Year E-mini bundles, each one E-mini bundle will be extinguished and replaced by a series of positions in the 20 consecutive quarterly Eurodollar E-mini futures. The E-mini bundle shall be terminated at the conclusion of trading on the business day prior to the expiration of the leading Eurodollar futures represented in the bundle. This is usually the Friday prior to the Eurodollar expiration (which is usually the Monday of the week of the third Wednesday.) After establishing the Eurodollar E-mini futures at the expiration of the E-mini Bundle, they can be converted back to regular Eurodollar futures. The leading Eurodollar (E-mini) futures will then be terminated at its normal time at 11 a.m. London Time on its expiration day.

As indicated above, at any time prior to the expiration of the E-mini Bundles, the CME Eurodollar 5-Year E-mini Bundle can be exchanged for the underlying Eurodollar futures or Eurodollar E-mini futures by presenting the CME Clearing House with the requisite instruction. The exchange shall be done at the prior day's settlement prices for the underlying Eurodollar futures. If the average settlement price of the E-mini Bundle cannot be represented by a precision of 0.00001 IMM index point, the CME Clearing House shall round the E-mini Bundle price for the exchange to the nearest 0.00001 IMM index point (\$0.05) in the direction in favor of the CME Clearing House.

The Exchange Rules governing the CME Eurodollar E-mini Futures and the CME Eurodollar 5-Year E-mini Bundle (Chapters 452C and 456 respectively) are attached below. Amendments to Chapter 5 and 8 follow, with additions underlined and deletions bracketed and overstruck.

CHAPTER 452C

E-Mini Three-month Eurodollar Futures

452C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in E-mini Eurodollars. The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

452C01. COMMODITY SPECIFICATIONS

Each futures contract shall be for a Eurodollar Time Deposit having a principal value of \$100,000 with a three-month maturity.

452C02. FUTURES CALL

452C02.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Board of Directors.

452C02.B. Trading Unit

The size of the unit of trading shall be Eurodollar Time Deposits in the amount of \$100,000.

452C02.C. Price Increments

Bids and offers shall be quoted in terms of the IMM Index, 100.00 minus the yield on an annual basis for a 360-day year. (A deposit rate of 7.20% shall be quoted as 92.80.)

The minimum fluctuation of the IMM Index shall be identical to those of Eurodollar futures with the same contract month. Minimum fluctuation of the IMM Index shall be in multiples of .005 (\$1.25). When the Eurodollar futures with the same contract month are trading with a minimum fluctuation of .0025, the minimum fluctuation of the IMM Index shall also be in multiples of .0025 (\$0.625).

452C02.D. Position Accountability

A person owning or controlling more than 100,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Three-month Eurodollar futures, this rule is superseded by the option position accountability rule.

452C02.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

452C02.F. [Reserved]**452C02.G. Termination of Trading**

Futures trading shall terminate at 11:00 a.m. (London Time)* on the second London bank business day immediately preceding the third Wednesday of the contract month.

*This is 5:00 a.m. (Chicago Time) except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

452C02.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of Eurodollars, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.

452C02. I. [Reserved]**452C03. SETTLEMENT PROCEDURES**

Delivery under the Eurodollar futures contract shall be by cash settlement.

452C03.A. Final Settlement Price

The final settlement price shall be 100 minus the British Bankers' Association Interest Settlement Rate for Three-Month Eurodollar Interbank Time Deposits, rounded to the nearest 1/10000th of a percentage point, on the second London bank business day immediately preceding the third Wednesday of the contract month. (Decimal fractions ending in a five (5) are rounded up. For example, an average rate of 8-21/32% — 8.65625% — would be rounded to 8.6563 and then subtracted from 100 to determine a final settlement price of 91.3437.) (The 16 reference banks selected by the British Bankers' Association to provide offered rates are major participants in the London Eurodollar Market.)

452C03.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.

452C04. FAILURE TO PERFORM

If the clearing member with a delivery commitment fails to perform all acts required by this chapter, then that clearing member shall be deemed as failing to perform which may be punishable as a major violation. A clearing member shall be liable to the clearing member to which it was matched on the failing transaction for any loss sustained. The Board shall determine and assess losses sustained, taking into account the settlement price, interest earnings foregone, and such other factors as it deems appropriate. The Board may also assess such penalties as it deems appropriate in addition to damages.

452C05. [RESERVED]

452C06. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 452C**

The Exchange has entered into an agreement with the British Bankers' Association ("BBA") which permits the Exchange to use BBA LIBOR as the basis for settling Three–Month Eurodollar futures contracts and to refer to BBA LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Three–Month Eurodollar futures contracts.

Three–Month Eurodollar futures contracts are not in any way sponsored, endorsed, sold or promoted by the BBA, and the BBA has no obligation or liability in connection with the trading of any such contracts. BBA LIBOR is compiled and calculated solely by the BBA. However, the BBA shall not be liable (whether in negligence or otherwise) to any person for any error in BBA LIBOR, and the BBA shall not be under any obligation to advise any person of any error therein.

THE BBA MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF BBA LIBOR AND/OR THE FIGURE AT WHICH BBA LIBOR STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. THE BBA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO THREE–MONTH EURODOLLAR FUTURES CONTRACTS.

CHAPTER 456

E-Mini Five-Year Eurodollar Bundle Futures

45600. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in E-mini Five-Year Eurodollar Bundles. The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

45601. COMMODITY SPECIFICATIONS

Each futures contract shall be for 20 consecutive quarterly expirations of E-mini Eurodollar Futures having a principal value of \$100,000.

45602. FUTURES CALL

45602.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Board of Directors.

45602.B. Trading Unit

The size of the unit of trading shall be one each of twenty (20) consecutive quarterly expirations of E-mini Three-Month Eurodollar Futures.

45602.C. Price Increments

Bids and offers shall be quoted in terms of the average price of the underlying E-mini Three-Month Eurodollar Futures, e.g. 96.6225.

The minimum fluctuation of the IMM Index shall be 0.0025 (\$12.50)

For the purpose of Rule 813.–Settlement Prices, the minimum fluctuation shall be .00001 IMM Index point.

45602.D. Position Accountability

A person owning or controlling more than 1,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Three-month Eurodollar futures, this rule is superseded by the option position accountability rule.

45602.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

45602.F. [Reserved]**45602.G. Termination of Trading**

Futures trading shall terminate at 4:00 p.m. on the Exchange business day prior to the termination of trading of the Eurodollar futures with the same contract month.

45602.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of Eurodollars, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.

45602. I. [Reserved]**45603. SETTLEMENT PROCEDURES**

Delivery under the E-mini Five-Year Eurodollar Bundle futures contract shall be by exchanging the E-mini Five-Year Eurodollar Bundles for the equivalent positions in the underlying Eurodollar and E-mini Eurodollar futures.

45603.A. Final Settlement Price

The final settlement price shall be the average settlement price of the twenty underlying Eurodollar futures on the day of termination of trading, rounding to the nearest 0.00001. E.g. the final settlement price of the September 2006 E-mini Five-Year Eurodollar Bundle shall be the average daily settlement price of the twenty (20) consecutive quarterly expiration of the Eurodollar futures, starting the the September 2006 expiration.

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 contracts each of the underlying twenty consecutive expirations of E-mini Eurodollar futures shall be established.

45604. *FAILURE TO PERFORM*

If the clearing member with a delivery commitment fails to perform all acts required by this chapter, then that clearing member shall be deemed as failing to perform which may be punishable as a major violation. A clearing member shall be liable to the clearing member to which it was matched on the failing transaction for any loss sustained. The Board shall determine and assess losses sustained, taking into account the settlement price, interest earnings foregone, and such other factors as it deems appropriate. The Board may also assess such penalties as it deems appropriate in addition to damages.

45605. *[RESERVED]*

45606. *ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES*

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

CHAPTER 5 TRADING QUALIFICATIONS AND PRACTICES

561. REPORTS OF LARGE POSITIONS

561.A. General Provisions

[unchanged]

561.B. Reportable Levels

Unless otherwise indicated below, the reportable level for all contracts shall be 25. The reportable level for options shall be the same as for the underlying futures contract.

<u>Commodity</u>	<u>Reportable Level</u>
TRAKRS	50,000
Eurodollars	850
Australian Dollar	200
British Pound	200
Canadian Dollar	200
Euro Currency Unit	200
Japanese Yen	200
Swiss Franc	200
Single Stock Futures	200
1-Month LIBOR	100
90-Day Treasury Bills	100
S&P 500	100
E-Mini S&P 500	100
Russell 2000	100
E-Mini Russell 2000	100
Nikkei Stock Index	50
5-Year Bundle	45
<u>E-mini 5-Year Eurodollar Bundle</u>	<u>450</u>
Frozen Pork Belly	5
Random Length Lumber	5

588.K. GLOBEX No Bust Ranges

Futures	No Bust Range
Eurodollar and LIBOR	2.5 basis points or less
<u>E-mini Eurodollar Bundle</u>	<u>2.5 basis points or less</u>

T-Bills	5 basis points or less
Fed Fund "Turn"	50 basis points or less
Agency Notes	16 ticks or less
Swaps	5 basis points or less
TIIE and CETES	30 ticks or less
CPI Futures	5 basis points or less
EurozoneHICP Futures	25 basis points or less
Currency Futures (except British pound and Mexican Peso)	20 ticks or less
British Pound Futures and Mexican Peso Futures	30 ticks or less
S&P 500 and E-mini S&P 500	6.00 index points or less
S&P Citigroup Growth	4.00 index points or less
S&P Citigroup Value	4.00 index points or less
S&P Midcap 400 and E-mini S&P Midcap 400	4.00 index points or less
S&P Smallcap 600	4.00 index points or less
E-Mini S&P Asia 50	12.00 index points or less
E-Mini MSCI EAFE	12.00 index points or less
S&P 500 Depository Receipts	0.60 index points or less
Russell 2000 and E-mini Russell 2000	4.00 index points or less
E-mini Russell 1000	4.00 index points or less
iSharesRussell 2000	0.40 index points or less
Nasdaq-100 and E-mini Nasdaq-100	12.00 index points or less
E-mini Nasdaq Composite	12.00 index points or less
E-mini Nasdaq Biotechnology	12.00 index points or less
Nasdaq-100 Index Tracking Stock	0.30 index points or less
Nikkei 225 (\$ and ¥)	60.00 index points or less
S&P 500 Technology SPCTR	3.00 index points or less
S&P 500 Financial SPCTR	3.00 index points or less
Housing Futures	2.00 index points or less
TRAKRS Futures	25 cents or less
Goldman Sachs Commodity Index	2.50 index points or less
CME Weather	25.00 index points or less
Lean Hogs	\$0.0050 per pound or less
Live Cattle	\$0.0050 per pound or less
Feeder Cattle	\$0.0050 per pound or less
Pork Bellies	\$0.0050 per pound or less
Butter (Cash-Settled)	\$0.0075 per pound or less
Milk	\$0.20 per cwt. or less

Urea	\$3 per ton or less
DAP	\$3 per ton or less
UAN	\$3 per ton or less
Ethanol	\$.025 per gallon or less
NYMEX Crude Oil and NYMEX miNY Crude Oil	\$0.25
NYMEX Brent and NYMEX miNY Brent	\$0.25
NYMEX Natural Gas and NYMEX miNY Natural Gas	\$0.05
NYMEX Natural Gas (last-day) futures	\$0.05
NYMEX Heating Oil and NYMEX miNY Heating Oil	\$0.01
NYMEX RBOB Gasoline and NYMEX miNY RBOB Gasoline	\$0.01
NYMEX Unleaded Gas	\$0.01
NYMEX Propane	\$0.01
NYMEX Gas Oil	\$4.00
NYMEX Palladium	\$5.00 per troy ounce or less
NYMEX Platinum	\$10.00 per troy ounce or less

Futures Combinations

All Eurodollar Combinations	2.5 basis points or less
<u>E-mini Eurodollar Bundle Spreads</u>	<u>2.5 basis points or less</u>
Intra-Commodity (non-ED and non-E-Livestock) Futures Spreads	5 ticks or less
Intra-Commodity E-Livestock Futures Spreads (Lean Hogs, Live Cattle, Feeder Cattle, Pork Bellies, Milk)	Same as the no bust range of the individual legs
Inter-Commodity (non-ED) Futures Spreads	The wider of the no bust ranges of the two individual legs
All NYMEX Intra-commodity Combinations	Same as the no bust range of the individual legs
NYMEX Inter-Commodity Futures Spreads	The wider of the no bust ranges of the two individual legs
NYMEX Strips	Same as the no bust range of the individual legs

Options on Futures	No Bust Range
--------------------	---------------

Interest Rate Options

All Eurodollar Covered Strategies	1 basis point
Prices below or equal to 5 basis points	1 basis point
Prices greater than 5 through 15	1.5 basis points

basis points	
Prices greater than 15 through 25	2 basis points
basis points	
Prices greater than 25 basis points	2.5 basis points

Equity Index Options

Any premium level	20% of premium (up to 3.00 index points with a minimum of 1 tick) or less
-------------------	---

Currency Options

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

Options Combinations

Interest Rate Options (Deltas greater than 50%)	2.5 basis points
---	------------------

(End Chapter 5)

CHAPTER 8**Clearing House and Performance Bonds**813. *SETTLEMENT PRICE*

The settlement price shall be a price consistent with the minimum fluctuations of a commodity. Settlement prices shall be determined each business day for each commodity pursuant to the procedures set forth below. The procedure used to determine the settlement price of a commodity will depend on the product group, level of closing range activity and liquidity, and the bid – ask width and size, if settled to Globex.

1. The time and sales procedure is used when a trade occurs in the closing range (either the last 30 or 60 seconds). The first trade and every subsequent quote (trade, bid, offer) in the closing range are included in the calculation. The midpoint of the high and low quotes is the settlement price. If a midpoint cannot be determined, the settlement price is the price closer to the prior day's settlement price.
2. The last quote procedure is used when no trades occur in the closing range (either the last 30 or 60 seconds). The last valid quote of the day (trade, higher bid or lower offer) is the settlement price. In the event there are no valid quotes during the day, the settlement price will be the prior day's settlement price.
3. The bid-ask midpoint procedure is used for transactions that occur on Globex. The midpoint of the low bid and the high offer of the Globex closing range (either the last 30 or 60 seconds) is the settlement price. If a midpoint cannot be determined, the settlement price is the price closer to the prior day's settlement price.

4. When relevant spread trading information is available, it may also be used to assist in the calculation of settlement prices. (For example, Front and Red Eurodollars may be adjusted for calendar or fly spreads.)
5. In liquid commodities, where there is no relevant market activity, any applicable market information, such as spot or cash markets, may be used to determine the settlement price.
6. Notwithstanding any of the foregoing, settlement prices for the E-Mini Standard and Poor's 500 Stock Price Index Futures, the E-Mini Nasdaq 100 Index Futures, the E-mini Three-month Eurodollar Futures and the E-Mini Currency Futures contract months shall equal the settlement prices for the corresponding contract months of the Standard and Poor's 500 Stock Price Index Futures, the Nasdaq 100 Index Futures, Three-month Eurodollar Futures and the Currency Futures, respectively. Further, the settlement price for the E-mini Five-Year Eurodollar Bundle Futures shall be the average of the settlement price for the underlying Eurodollar futures, rounded to the nearest 0.00001 IMM Index Points.
7. Options settlements are derived utilizing key market information, such as; outright bids and offers, implied volatility, the underlying futures movement, and relevant spread orders.
8. For products cleared by the Clearing House on behalf of another exchange, market or Marketplace other than the Exchange, the settlement price shall be determined according to the rules of such entity.
9. Notwithstanding the above, in the case of inaccuracy or unavailability of a settlement price from the Exchange, another exchange, market or Marketplace, or if such settlement price would create risk management concerns for the Clearing House, the Clearing House reserves the right to calculate settlement variation using an alternate price determined by the Clearing House

855. *OFFSETTING E-MINI AND REGULAR FUTURES POSITIONS*

- A. With the consent of the account controller, a clearing member may offset and liquidate long E-Mini futures positions against short regular futures positions, or short E-Mini futures positions against long regular futures positions, held in the same account in the following ratios of E-Mini to regular futures contracts:

E-Mini S&P 500 to regular S&P 500:	5:1
E-Mini Nasdaq 100 Index to regular Nasdaq 100 Index:	5:1
E-Mini S&P Midcap 400 to regular S&P Midcap 400	5:1
E-Mini Russell 2000 to regular Russell 2000	5:1
E-Mini Currency to regular Currency:	2:1

The clearing member shall notify the Clearing House of offsetting positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement price.

- B. The positions being offset shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding

account shall be netted, thus reducing the number of open positions in such contract.

C. With the consent of the account controller, a clearing member may convert Eurodollar and E-Mini Eurodollar futures positions into equivalent E-mini Five-year Eurodollar Bundle positions, or E-mini Five-year Eurodollar Bundle positions into equivalent Eurodollar and E-Mini Eurodollar futures positions, held in the same account in the following ratios of E-Mini to regular futures contracts:

One (1) each of twenty (20) consecutive quarterly expirations of the E-Mini Eurodollar Futures to one (1) E-mini Five-Year Eurodollar Bundle Futures

One (1) each of twenty (20) consecutive quarterly expirations of the Eurodollar Futures to ten (10) E-mini Five-Year Eurodollar Bundle Futures

The positions being converted shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract. The clearing member shall notify the Clearing House of the offsetting Eurodollar, E-mini Eurodollar and E-mini Five-Year Eurodollar Bundle positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement prices, with any rounding in favor of the CME holding account.

Summary of the contract specifications shall follow. If you have any questions regarding the new products, please contact Mr. Richard Co, Director, Financial Research, at (312)930-3227, or Mr. Peter Barker, Director, Interest Rate Products, at (312)930-8554.

CME Eurodollar 5-Year E-mini Bundle Contract

Notional Value	USD 100,000 (i.e. One-tenth of a regular 5-Year Eurodollar Bundle)
Quotation Convention	100 minus average of interest rate implied by 20 consecutive Quarterly Eurodollar Futures (Quoted in price, not net change from previous day's settlement) e.g. 94.65750
Basis Point Value	Each basis point = \$50.00 (i.e. One-tenth of a regular CME Eurodollar 5-Year Bundle)
Tick Increment	0.00250, or ¼ basis point (\$12.50)
Listing Cycle	Four (4) consecutive quarterly listing
Venue	CME Globex
Daily Settlement	Daily settlement price equal to the average daily settlement price of the underlying 20 consecutive quarterly CME Eurodollar futures on the same day, rounding to the nearest 0.00001 (i.e. 5 cents)
Fungibility with Eurodollar Futures	Each CME Eurodollar 5-year E-mini Bundle can be converted to a string of 20 consecutive one-tenth sized quarterly Eurodollar futures, starting with the same expiration. For example, a December 2006 CME Eurodollar 5-Yr E-mini Bundle can be converted to a string of 20 consecutive one-tenth sized quarterly Eurodollar futures starting with the December 2006 expiration. Further, ten one-tenth sized Eurodollar futures can be converted to a full-sized Eurodollar futures contract. Similarly, a string of 20 consecutive quarterly Eurodollar futures (full-sized or one-tenth sized) can be converted to the appropriate number of E-mini Bundles.
Termination of trading	At the termination of trading on the trading day prior to the expiration of CME Eurodollar futures contract with the same expiration, e.g. December 2006 E-mini Bundle shall terminate trading on December 15, 2006 (which is the trading day prior to the expiration of Dec 06 ED)
Settlement	At the expiration, a CME Eurodollar 5-year E-mini Bundle shall be converted into a string of 20 consecutive one-tenth sized CME Eurodollar futures contract, with the leading contract cash-settled in accordance with the rules for CME Eurodollar futures. The remainder of the contracts shall remain open and are eligible for conversion to full-sized CME Eurodollar futures with same expirations.

CME Eurodollar E-mini Futures

Notional Value	USD 100,000 (i.e. One-tenth of a CME Eurodollar Futures)
Quotation Convention	Identical to CME Eurodollar Futures, i.e. 100 – contracted 3-month LIBOR rate, e.g. 94.55, implying a contracted 3-month LIBOR rate of 5.45
Basis Point Value	Each 0.01 = \$2.50 (i.e. 1/10 of a regular Eurodollar Futures contract)
Tick Increment	Same increment as regular CME Eurodollar futures: 0.005 (\$1.25, or one-half basis point) When the regular-sized CME Eurodollar is trading at 0.0025 increment, the CME Eurodollar E-mini Futures shall also trade at 0.0025 increments (\$0.625)
Listing Cycle	40 consecutive quarterly months
Venue	CME Globex
Daily Settlement	Daily settlement price identical to that of the regular sized CME Eurodollar futures of the same contract month
Fungibility with CME Eurodollar Futures	At 10-to-1 conversion ratio.
Termination of trading	Same as the regular sized CME Eurodollar futures – two London business days prior to the third Wednesday of the contract month.
Settlement	Cash-settled to the same price as the regular sized CME Eurodollar futures
