CME Group

Special Executive Report

S-5437   **October 18, 2010**

CME Group Announces the Launch of On-the-Run (OTR) U.S. Treasury Futures on October 25, 2010

CME Group announces that CBOT (the "Exchange") will list 2-Year, 5-Year, and 10-Year On-the-Run (OTR) U.S. Treasury futures for trading beginning on **Monday, October 25, 2010**. OTR Treasury futures will be listed for trading both on CME Globex® (2-Year=**T2**; 5-Year=**T5**; 10-Year=**TN**) and in Open Outcry in the Treasury futures pit on the Chicago trading floor (2-Year=**TWO**; 5-Year=**FIV**; 10-Year=**TEN**). The Exchange initially will list contracts for expiry in November 2010 in all three products.

Each OTR Treasury futures contract will expire by cash settlement with reference to the yield on the contract-grade (i.e., 2-year, 5-year, or 10-year) on-the-run Treasury note as of the contract's expiry date. The on-the-run yield will be determined by subtracting the ISDA® Swap Spread from the ISDA® Benchmark Swap Rate (where both the Swap Spread and the Swap Rate are for the pertinent term to maturity).[1] Generally, such publications will occur at 10:30 a.m. To determine the contract final settlement price, the Exchange will use this on-the-run yield to value a notional Treasury note with the pertinent term to maturity that pays a semiannual coupon at the rate of four percent per annum.

2-Year, 5-Year, and 10-Year OTR Treasury futures all have $100,000 notional contract sizes. All are quoted in terms of price points and fractions of 32nds of price points. Par is on the basis of 100 points, with each point equal to $1,000. 2-Year and 5-Year OTR Treasury futures will trade in minimum price increments of ¼ of 1/32nd, and will have monthly expiries. 10-Year OTR Treasury futures will trade in minimum price increments of ½ of 1/32nd for outrights and ¼ of 1/32nd for calendar spreads, and will have quarterly expiries in February, May, August, and November.

The listing cycle for OTR Treasury futures will resemble the auction schedule for U.S. Treasury securities. Each futures contract will be listed for trading around the date on which the U.S. Treasury announces the auction of the Treasury note that will stand as that contract's underlying reference, and will expire on the morning of the scheduled next following auction of a new Treasury note, as noted in the U.S. Treasury Tentative Auction Schedule at the time of the contract's listing, just prior to the point at which the contract's underlying reference Treasury

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[1] ISDA® is a registered trademark, and ISDAFIX℠ is a registered service mark, of the International Swaps and Derivatives Association, Inc. ISDA Benchmark mid-market par swap rates and ISDA Swap Spreads are collected at 10:00 a.m. Chicago time by Reuters Limited and ICAP plc and published on Reuters page ISDAFIX1. Source: Reuters Limited.

issue ceases to be the "on-the-run".

OTR Treasury futures will be eligible for block and all-or-none (AON) transactions. OTR Treasury futures also will be eligible for inter-commodity spread (ICS) trades, through which order books for closely related CBOT Treasury futures and Interest Rate Swap futures will be linked with the order books for OTR Treasury futures, thereby enabling increased trade matching opportunities as well as efficient means for trading yield curve relationships.

CBOT Type 1 (Individual- Full, AM, and GIM members), Type 2 (Equity), Type 3 (Trading), and Type 4 (Electronic Corporate) members, and CBOT IIP Participants are eligible to trade OTR Treasury futures at member rates. CME Full and IMM members also are eligible to trade OTR Treasury futures at member rates by way of a one-year Pilot Program through October 24, 2011. CME Full or IMM members wishing to participate in this Pilot Program in Open Outcry trading should obtain a separate EAP badge from Exchange Member Services in order to enter the Treasury futures pit.

Exchange Transaction and Clearing fees for OTR Treasury futures will be waived for all aforementioned CBOT and CME membership holders through April 30, 2011. Moreover, ex-pit surcharges for OTR Treasury futures, including EFP, EFR, EFS, and Block Trade fees shall be waived for all market participants through April 30, 2011.

OTR Treasury futures will have the same fee structure that is in place for existing CBOT Treasury futures. These contracts will be listed by CBOT and subject to the rules and regulations of CBOT and CME.

Please refer questions regarding OTR Treasury futures to:

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Attachment 1
Salient Features
On-The-Run (OTR) U.S. Treasury Futures Contracts

Underlying Instrument	The notional price of a 2-Year, 5-Year, or 10-Year U.S. Treasury note with $100,000 notional face value, paying a semiannual coupon at the rate of 4 percent per annum. The price is based on the corresponding on-the-run Treasury note yield at the contract grade term to maturity. The on-the-run Treasury note yield is derived as the ISDA® Benchmark Swap Rate minus the ISDA Swap Spread, both at the contract's term to maturity.
Price Basis	Par is on the basis of 100 points. **2-Year and 5-Year OTR Treasury Futures:** Points ($1,000) and quarters of 1/32 of a point. For example, 102-202 represents 102 and 20.25/32nds, 102-205 represents 102 and 20.5/32nds, 102-207 represents 102 and 20.75/32nds, and 102-21 represents 102 and 21/32nds. **10-Year OTR Treasury Futures:** Points ($1,000) and halves of 1/32 of a point. For example, 126-16 represents 126 and 16/32nds, and 126-165 represents 126 and 16.5/32nds.
Minimum Price Increment	**2-Year and 5-Year OTR Treasury Futures:** One-quarter of 1/32 of one point, or $7.8125 per contract. **10-Year OTR Treasury Futures:** One-half of 1/32 of one point, or $15.625 per contract, except for intermonth spreads, where the minimum price fluctuation shall be one-quarter of 1/32 of one point, or $7.8125 per contract.
Contract Months	Expiry listings correspond to U.S. Treasury auctions for 2-year, 5-year, and 10-year Treasury notes. For any contract, Final Settlement is defined at listing as the morning of the scheduled auction of a new Treasury note during the contract's named delivery month. Initially, one expiry will be listed. Deferred expiries will be listed approximately 3-5 business days prior to expiration of the nearby expiry. **2-Year and 5-Year OTR Treasury futures:** 2-Year and 5-Year OTR Treasury futures have monthly expiries. Each new contract will be listed on the auction announcement date for – and the beginning of WI trading in -- the contract's underlying reference Treasury note. **10-Year OTR Treasury futures:** 10-Year OTR Treasury futures have February, May, August, and November quarterly expiries. Each new contract will be listed on the business day following the auction announcement for – and the business day following the beginning of WI trading in – the contract's underlying reference Treasury note.

Attachment 1
Salient Features
On-The-Run (OTR) U.S. Treasury Futures Contracts

Contract Months (continued)	Due to the limitations of the U.S. Treasury's Tentative Auction Schedule, the first trade date for any 10-Year OTR Treasury futures expiry is the business day following the Announcement Date of the underlying reference 10-year Treasury note, i.e., the day after the beginning of WI trading. The last trading day/final settlement takes place on the date of the next scheduled NEW 10-Year note auction in the following quarter.
Last Trading Day	Defined at time of listing as the date of the corresponding new Treasury note auction in the named expiry month, as indicated on the most recently published Tentative Auction Schedule of U.S. Treasury Securities. Trading in expiring contract ceases at 10:01 a.m. on the last trading day.
Final Settlement Price	Expiration by cash settlement. The final settlement value, measured in price points, is determined as: 2-Year: $100 * [\, 4/r_2 + (1 - 4/r_2) * (1 + r_2/200)^{-4}\,]$ 5-Year: $100 * [\, 4/r_5 + (1 - 4/r_5) * (1 + r_5/200)^{-10}\,]$ 10-Year: $100 * [\, 4/r_{10} + (1 - 4/r_{10}) * (1 + r_{10}/200)^{-20}\,]$ r_2, r_5, and r_{10} represent, respectively, ISDAFIX^{sm} Benchmark Rates for the 2-Year, 5-Year, and 10-Year term to maturity <u>minus</u> the ISDAFIX Swap Spread for the same term to maturity, as published at approximately 10:30 a.m. on the last trading day. (For example, if the ISDAFIX Benchmark Rate is 3.966 percent and the ISDAFIX Swap Spread is 0.315 percent, then r equals 3.651 percent.) The final settlement price is final settlement value rounded to nearest one quarter of 1/32 of one point.
Block Minimums	For all OTR Treasury futures: Regular Trading Hours (7:00 a.m. to 4:00 p.m.): 2,000 contracts European Trading Hours (12:00 a.m. - 7:00 a.m.): 1,000 contracts Asian Trading Hours (4:00 p.m. - 12:00 a.m.): 500 contracts
Trading Hours	**CME Globex:** 5:30 p.m. – 4:00 p.m., Sunday – Friday **Open Outcry:** 7:20 a.m. – 2:00 p.m., Monday – Friday
Ticker Symbols	**CME Globex:** 2-Year: T2; 5-Year: T5; 10-Year: TN **Open Outcry:** 2-Year: TWO; 5-Year: FIV; 10-Year: TEN

CBOT Rulebook Chapter 42
2-Year On-the-Run Treasury Yield Futures

42100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 2-Year On-the-Run Treasury Yield futures. The procedures for trading, clearing, inspection, delivery and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

42101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (Rule 42103.B.) of the unit of trading (Rule 42102.B.) on the last trading day (Rule 42102.F.).

The final settlement price shall be based upon the yield to maturity for the on-the-run 2-Year U.S. Treasury note. Such yield to maturity shall be determined as the following difference: (a) the ISDA® Benchmark Rate[2] for a 2-Year U.S. dollar interest rate swap minus (b) the ISDA U.S. dollar Swap Spread for two years to maturity. Both elements of such difference shall be for the contract's last day of trading, as published on the contract's last day of trading on Reuters page ISDAFIX3[sm] (or on such other Reuters page or by such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads). Determination of the final settlement price on the basis of said ISDA Benchmark Rate and said ISDA Swap Spread shall be as prescribed in Rule 42103.

Hereafter in this chapter, the ISDA Benchmark Rate for a 2-Year U.S. dollar interest rate swap shall be referenced as "the ISDA Benchmark," the corresponding ISDA U.S. dollar Swap Spread shall be referenced as "the ISDA Spread," and ISDAFIX3 (or such other Reuters page or such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads) shall be referenced as "Reuters."

42102. TRADING SPECIFICATIONS

The number of contract expiration months open for trading at a given time shall be determined by the Exchange.

42102.A.   Trading Schedule

The hours of trading for 2-Year On-the-Run Treasury Yield futures shall be determined by the Exchange. On the last day of trading in an expiring future (Rule 42102.F.), the close of the expiring future shall begin at 10:00 a.m. Chicago time, and trading shall be permitted thereafter for a period not to exceed one minute.

42102.B.   Trading Unit

The unit of trading shall be the notional price of a 2-year U.S. Treasury note having face value of $100,000 and paying a fixed semiannual coupon at the rate of 4

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[2] ISDA® is a registered trademark, and ISDAFIX[sm] is a registered service mark, of the International Swaps and Derivatives Association, Inc. ISDA Benchmark mid-market par swap rates and ISDA Swap Spreads are collected at 10:00 a.m. Chicago time by Reuters Limited and ICAP plc and published on Reuters page ISDAFIX1. Source: Reuters Limited.

CBOT Rulebook Chapter 42
2-Year On-the-Run Treasury Yield Futures

percent per annum.

42102.C.   Price Increments

The price of 2-Year On-the-Run Treasury Yield futures shall be quoted in points. One point equals $1,000.00. Par shall be on the basis of 100 points. The minimum price fluctuation shall be one-fourth of one thirty-second of one point ($7.8125 per contract). Contracts shall not be made on any other price basis.

42102.D.   Reserved

42102.E.   Reserved

42102.F.   Termination of Trading

The Last Trading Day of a 2-Year On-the-Run Treasury Yield futures contract shall be defined by the Exchange, at the time such contract is listed for trading.

The Exchange shall define such contract's expiration month with reference to the schedule of auctions for new 2-year Treasury notes as indicated in the latest available Tentative Auction Schedule of U.S. Treasury Securities (hereafter, "Auction Schedule") as maintained and published by the U.S. Treasury Department (hereafter, "Treasury").

Customarily, and without limitation to the foregoing, for any futures contract for a given expiration month the Exchange shall define the Last Trading Day to be the Auction Date for a new 2-year Treasury note during the contract's named month of expiration, as given in the latest Auction Schedule at the time such futures contract is listed for trading.

The Last Trading Day in such futures contract, so determined, shall remain fixed, notwithstanding any changes to the Auction Schedule as may occur after such contract has been listed by the Exchange for trading.

Trading in expiring futures shall cease at 10:01am Chicago time on the Last Trading Day (Rule 42102.A.).

After trading in expiring contracts has ceased, expiring contracts that remain open shall be liquidated by cash settlement as prescribed in Rule 42103.

42103. DELIVERY ON FUTURES CONTRACTS

Delivery against 2-Year On-the-Run Treasury Yield futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. Final settlement price shall be calculated on the Last Trading Day after Reuters has published the ISDA Benchmark and the ISDA Spread for the Last Trading Day. Generally, such publications will occur at 10:30 a.m. Chicago time on the Last Trading Day.

CBOT Rulebook Chapter 42
2-Year On-the-Run Treasury Yield Futures

If Reuters fails to report the ISDA Benchmark or the ISDA Spread for the Last Trading Day on the Last Trading Day, then the final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the next available business day on which both values are reported by Reuters. If such ISDA Benchmark and such ISDA Spread have not been reported within five (5) Exchange business days following the Last Trading Day, then the contract final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the last business day that precedes the Last Trading Day and for which both values are available.

42103.A.   Final Settlement Value

The final settlement value shall be determined as follows:

$$\text{Final Settlement Value} = \$100{,}000 * [\ 4/r + (1 - 4/r)*(1 + r/200)^{-4}\ ]$$

where r represents the ISDA Benchmark for the Last Trading Day minus the ISDA Spread for the Last Trading Day, expressed in percent terms. For example, if the ISDA Benchmark is five and one quarter percent (5.25) and the ISDA Spread is one quarter of one percent (0.25), then r is equal to 5.00.

42103.B.   Final Settlement Price

The final settlement price shall be the final settlement value (Rule 42103.A.) rounded to the nearest one-quarter of one thirty-second of a price point.

Example: Suppose that on the Last Trading Day the ISDA Benchmark is 3.966 percent and the ISDA Spread is 0.315 percent. The yield to maturity for the on-the-run 2-Year U.S. Treasury note will be computed as 3.651 percent, equal to 3.966 percent minus 0.315 percent. The contract final settlement value will be $100,667.27. To render this in terms of price points and quarters of thirty-seconds of price points, note that it is between 100-21.25/32nds and 100-21.5/32nds (where each price point equals $1,000) --

100-21.5/32nds	=	$100,671.875
Final settlement value	=	$100,667.27
100-21.25/32nds	=	$100,664.0625

The final settlement value is nearer to 100-21.25/32nds. Thus, the contract final settlement price is obtained by rounding down to 100-21.25/32nds.

In the event that the final settlement value is at the exact midpoint between any two adjacent quarters of one thirty-second of a price point, the final settlement price will be obtained by rounding up to the nearest one-quarter of a thirty-second of a price point.

CBOT Rulebook Chapter 43
5-Year On-the-Run Treasury Yield Futures

43100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 5-Year On-the-Run Treasury Yield futures. The procedures for trading, clearing, inspection, delivery and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

43101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (Rule 43103.B.) of the unit of trading (Rule 43102.B.) on the last trading day (Rule 43102.F.).

The final settlement price shall be based upon the yield to maturity for the on-the-run 5-Year U.S. Treasury note. Such yield to maturity shall be determined as the following difference: (a) the ISDA® Benchmark Rate[3] for a 5-Year U.S. dollar interest rate swap minus (b) the ISDA U.S. dollar Swap Spread for five years to maturity. Both elements of such difference shall be for the contract's Last Trading Day, as published on the contract's Last Trading Day on Reuters page ISDAFIX3[sm] (or on such other Reuters page or by such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads). Determination of the final settlement price on the basis of said ISDA Benchmark Rate and said ISDA Swap Spread shall be as prescribed in Rule 43103.

Hereafter in this chapter, the ISDA Benchmark Rate for a 5-Year U.S. dollar interest rate swap shall be referenced as "the ISDA Benchmark," the corresponding ISDA U.S. dollar Swap Spread shall be referenced as "the ISDA Spread," and ISDAFIX3 (or such other Reuters page or such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads) shall be referenced as "Reuters."

43102. TRADING SPECIFICATIONS

The number of contract expiration months open for trading at a given time shall be determined by the Exchange.

43102.A.   Trading Schedule

The hours of trading for 5-Year On-the-Run Treasury Yield futures shall be determined by the Exchange.   On the Last Trading Day in an expiring future (Rule 43102.F.), the close of the expiring future shall begin at 10:00 a.m. Chicago time, and trading shall be permitted thereafter for a period not to exceed one minute.

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CBOT Rulebook Chapter 43
5-Year On-the-Run Treasury Yield Futures

43102.B.   Trading Unit

The unit of trading shall be the notional price of a 5-year U.S. Treasury note having face value of $100,000 and paying a fixed semiannual coupon at the rate of 4 percent per annum.

43102.C.   Price Increments

The price of 5-Year On-the-Run Treasury Yield futures shall be quoted in points. One point equals $1,000.00. Par shall be on the basis of 100 points. The minimum price fluctuation shall be one-fourth of one thirty-second of one point ($7.8125 per contract). Contracts shall not be made on any other price basis.

43102.D.   Reserved

43102.E.   Reserved

43102.F.   Termination of Trading

The Last Trading Day of a 5-Year On-the-Run Treasury Yield futures contract shall be defined by the Exchange, at the time such contract is listed for trading.

The Exchange shall define such contract's expiration month with reference to the schedule of auctions for new 5-year Treasury notes as indicated in the latest available Tentative Auction Schedule of U.S. Treasury Securities (hereafter, "Auction Schedule") as maintained and published by the U.S. Treasury Department (hereafter, "Treasury").

Customarily, and without limitation to the foregoing, for any futures contract for a given expiration month the Exchange shall define the Last Trading Day to be the Auction Date for a new 5-year Treasury note during the contract's named month of expiration, as given in the latest Auction Schedule at the time such futures contract is listed for trading.

The Last Trading Day in such futures contract, so determined, shall remain fixed, notwithstanding any changes to the Auction Schedule as may occur after such contract has been listed by the Exchange for trading.

Trading in expiring futures shall cease at 10:01am Chicago time on the Last Trading Day (Rule 43102.A.).

After trading in expiring contracts has ceased, expiring contracts that remain open shall be liquidated by cash settlement as prescribed in Rule 43103.

43103. DELIVERY ON FUTURES CONTRACTS

Delivery against 5-Year On-the-Run Treasury Yield futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. Final settlement price shall be calculated on the Last Trading Day after

CBOT Rulebook Chapter 43
5-Year On-the-Run Treasury Yield Futures

Reuters has published the ISDA Benchmark and the ISDA Spread for the Last Trading Day. Generally, such publications will occur at 10:30 a.m. Chicago time on the Last Trading Day.

If Reuters fails to report the ISDA Benchmark or the ISDA Spread for the Last Trading Day on the Last Trading Day, then the final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the next available business day on which both values are reported by Reuters. If such ISDA Benchmark and such ISDA Spread have not been reported within five (5) Exchange business days following the Last Trading Day, then the contract final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the last business day that precedes the Last Trading Day and for which both values are available.

43103.A.   Final Settlement Value

The final settlement value shall be determined as follows:

$$\text{Final Settlement Value} = \$100{,}000 * [\, 4/r + (1 - 4/r)*(1 + r/200)^{-10} \,]$$

where r represents the ISDA Benchmark for the Last Trading Day minus the ISDA Spread for the Last Trading Day, expressed in percent terms. For example, if the ISDA Benchmark is five and one quarter percent (5.25) and the ISDA Spread is one quarter of one percent (0.25), then r is equal to 5.00.

43103.B.   Final Settlement Price

The final settlement price shall be the final settlement value (Rule 43103.A.) rounded to the nearest one-quarter of one thirty-second of a price point.

Example: Suppose that on the Last Trading Day the ISDA Benchmark is 3.966 percent and the ISDA Spread is 0.315 percent. The yield to maturity for the on-the-run 5-Year U.S. Treasury note will be computed as 3.651 percent, equal to 3.966 percent minus 0.315 percent. The contract final settlement value will be $101,581.87. To render this in terms of price points and quarters of thirty-seconds of price points, note that it is between 101-18.50/32nds and 101-18.75/32nds (where each price point equals $1,000) --

101-18.75/32nds	=	$101,585.9375
Final settlement value	=	$101,581.87
101-18.50/32nds	=	$101,578.1250

The final settlement value is nearer to 101-18.5/32nds. Thus, the contract final settlement price is obtained by rounding down to 101-18.5/32nds.

In the event that the final settlement value is at the exact midpoint between any two adjacent quarters of one thirty-second of a price point, the final settlement price will be obtained by rounding up to the nearest one-quarter of a thirty-second of a price point.

CBOT Rulebook Chapter 44
10-Year On-the-Run Treasury Yield Futures

44100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 10-Year On-the-Run Treasury Yield futures. The procedures for trading, clearing, inspection, delivery and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

44101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (Rule 44103.B.) of the unit of trading (Rule 44102.B.) on the last trading day (Rule 44102.F.).

The final settlement price shall be based upon the yield to maturity for the on-the-run 10-Year U.S. Treasury note. Such yield to maturity shall be determined as the following difference: (a) the ISDA® Benchmark Rate[4] for a 10-Year U.S. dollar interest rate swap minus (b) the ISDA U.S. dollar Swap Spread for ten years to maturity. Both elements of such difference shall be for the contract's Last Trading Day, as published on the contract's Last Trading Day on Reuters page ISDAFIX3[sm] (or on such other Reuters page or by such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads). Determination of the final settlement price on the basis of said ISDA Benchmark Rate and said ISDA Swap Spread shall be as prescribed in Rule 44103.

Hereafter in this chapter, the ISDA Benchmark Rate for a 10-Year U.S. dollar interest rate swap shall be referenced as "the ISDA Benchmark," the corresponding ISDA U.S. dollar Swap Spread shall be referenced as "the ISDA Spread," and ISDAFIX3 (or such other Reuters page or such other means as shall be designated by ISDA for the purpose of publishing and disseminating ISDA Benchmark Rates for U.S. dollar interest rate swaps and ISDA U.S. dollar Swap Spreads) shall be referenced as "Reuters."

44102. TRADING SPECIFICATIONS

The number of contract expiration months open for trading at a given time shall be determined by the Exchange.

44102.A.   Trading Schedule

The hours of trading for 10-Year On-the-Run Treasury Yield futures shall be determined by the Exchange. On the Last Trading Day in an expiring future (Rule 44102.F.), the close of the expiring future shall begin at 10:00 a.m. Chicago time, and trading shall be permitted thereafter for a period not to exceed one minute.

44102.B.   Trading Unit

The unit of trading shall be the notional price of a 10-year U.S. Treasury note having

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CBOT Rulebook Chapter 44
10-Year On-the-Run Treasury Yield Futures

face value of $100,000 and paying a fixed semiannual coupon at the rate of 4 percent per annum.

44102.C.   Price Increments

The price of 10-Year On-the-Run Treasury Yield futures shall be quoted in points. One point equals $1,000.00. Par shall be on the basis of 100 points. The minimum price fluctuation shall be one-half of one thirty-second of one point ($15.625 per contract) except for intermonth spreads, for which the minimum price fluctuation shall be one-fourth of one thirty-second of one point ($7.8125 per contract). Contracts shall not be made on any other price basis.

44102.D.   Reserved

44102.E.   Reserved

44102.F.   Termination of Trading

The Last Trading Day of a 10-Year On-the-Run Treasury Yield futures contract shall be defined by the Exchange, at the time such contract is listed for trading.

The Exchange shall define such contract's expiration month with reference to the schedule of auctions for new 10-year Treasury notes as indicated in the latest available Tentative Auction Schedule of U.S. Treasury Securities (hereafter, "Auction Schedule") as maintained and published by the U.S. Treasury Department (hereafter, "Treasury").

Customarily, and without limitation to the foregoing, for any futures contract for a given expiration month the Exchange shall define the Last Trading Day to be the Auction Date for a new 10-year Treasury note during the contract's named month of expiration, as given in the latest Auction Schedule at the time such futures contract is listed for trading.

The Last Trading Day in such futures contract, so determined, shall remain fixed, notwithstanding any changes to the Auction Schedule as may occur after such contract has been listed by the Exchange for trading.

Trading in expiring futures shall cease at 10:01am Chicago time on the Last Trading Day (Rule 44102.A.).

After trading in expiring contracts has ceased, expiring contracts that remain open shall be liquidated by cash settlement as prescribed in Rule 44103.

44103. DELIVERY ON FUTURES CONTRACTS

Delivery against 10-Year On-the-Run Treasury Yield futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. Final settlement price shall be calculated on the Last Trading Day after Reuters has published the ISDA Benchmark and the ISDA Spread for the Last

CBOT Rulebook Chapter 44
10-Year On-the-Run Treasury Yield Futures

Trading Day. Generally, such publications will occur at 10:30 a.m. Chicago time on the Last Trading Day.

If Reuters fails to report the ISDA Benchmark or the ISDA Spread for the Last Trading Day on the Last Trading Day, then the final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the next available business day on which both values are reported by Reuters. If such ISDA Benchmark and such ISDA Spread have not been reported within five (5) Exchange business days following the Last Trading Day, then the contract final settlement price shall be based upon the ISDA Benchmark and the ISDA Spread for the last business day that precedes the Last Trading Day and for which both values are available.

44103.A.   Final Settlement Value

The final settlement value shall be determined as follows:

$$\text{Final Settlement Value} = \$100{,}000 * [\ 4/r + (1 - 4/r)*(1 + r/200)^{-20}\ ]$$

where r represents the ISDA Benchmark for the Last Trading Day minus the ISDA Spread for the Last Trading Day, expressed in percent terms. For example, if the ISDA Benchmark is five and one quarter percent (5.25) and the ISDA Spread is one quarter of one percent (0.25), then r is equal to 5.00.

44103.B.   Final Settlement Price

The final settlement price shall be the final settlement value (Rule 44103.A.) rounded to the nearest one-quarter of one thirty-second of a price point.

Example: Suppose that on the Last Trading Day the ISDA Benchmark is 3.966 percent and the ISDA Spread is 0.315 percent. The yield to maturity for the on-the-run 10-Year U.S. Treasury note will be computed as 3.651 percent, equal to 3.966 percent minus 0.315 percent. The contract final settlement value will be $102,901.96. To render this in terms of price points and quarters of thirty-seconds of price points, note that it is between 102-28.75/32nds and 102-29/32nds (where each price point equals $1,000) --

102-29/32nds	=	$102,906.25
Final settlement value	=	$102,901.96
102-28.75/32nds	=	$102,898.4375

The final settlement value is nearer to 102-28.75/32nds. Thus, the contract final settlement price is obtained by rounding down to 102-28.75/32nds.

In the event that the final settlement value is at the exact midpoint between any two adjacent quarters of one thirty-second of a price point, the final settlement price will be obtained by rounding up to the nearest one-quarter of a thirty-second of a price point.

Attachment 5

ISDAFIX Definition

ISDA® is a registered trademark, and ISDAFIX[sm] is a registered service mark, of the International Swaps and Derivatives Association, Inc. ISDA Benchmark mid-market par swap rates are collected at 11am New York time by Reuters Limited and ICAP plc and published on Reuters page ISDAFIX3 and Bloomberg page ISDAFIX1. Source: Reuters Limited.

More precisely, an ICAP or Reuters representative canvasses an established panel of dealers for their par swap rate quotes or swap spread quotes. For the USD swap market, polling occurs at 11am New York time, either by telephone or by electronic interface. The USD survey covers 13 terms to maturity: 1 year through 10 years, inclusive, plus 15, 20, and 30 years. For Treasury-swap spreads, the survey's scope is 6 terms to maturity: 2 years through 5 years, inclusive, plus 7 and 10 years.

The dealers in the canvass are selected and impaneled by ISDA, ICAP, and Reuters on the basis of each contributor's reputation among dealers, credit standing, scale of activity in the relevant swap market, and perceived expertise in the currency concerned. For the USD market, the contributor panel currently comprises 15 institutions:

Bank of America	Credit Suisse	JP Morgan Chase	RBS
Barclays Bank	Deutsche Bank	Mizuho	UBS
BNP Paribas	Goldman Sachs	Morgan Stanley	Wells Fargo
Citigroup	HSBC	Nomura	

For any given term to maturity, the rate or spread provided by the contributing dealer to the ICAP or Reuters surveyor is the midpoint of where that dealer would itself offer and bid a swap or a Treasury-swap spread for a notional equivalent amount of 50 million USD. The contributing dealer's survey response is the midpoint of its own bid/offer spread. Contributor panelists may submit their mid-market quotes up to five decimal places of precision. The ISDAFIX Benchmarks, however, are computed to just three decimal places.

ISDAFIX Benchmarks are determined as trimmed means. That is, for USD swap rates and swap spreads, the Benchmark value at each term to maturity is calculated by (1) eliminating the four highest and the four lowest of the mid-market quotes that have been submitted by the contributor panelists and then (2) taking the simple average of the mid-market quotes that remain after the sample has been trimmed.

Attachment 6

Selected Vendor Codes*
2-Year, 5-Year, and 10-Year OTR U.S. Treasury Futures

Vendor Name	System Name	2 Year OTR Futures	2 Year OTR Futures	2 Year OTR Futures	2 Year OTR vs. 2 Year Treasury Note ICS	2 Year OTR vs. 5 Year OTR ICS	2 Year OTR vs. 10 Year OTR ICS
		Open Outcry	CME Globex	AON	CME Globex	CME Globex	Globex
		Two	**T2**	**TWY**	**OTB**	**OTF**	**OTT**
Bloomberg	**Bloomberg**		Z2A				
CQG Inc.	**CQG for Windows**	Two	T2	TWY	OTB	OTF	OTT
Data Transmission Network (DTN)		TWO	@T2	N/A	N/A	N/A	N/A
E-Signal	**eSignal**	Two	T2	TWY	OTB	OTF	OTT
Thomson/Reuters	**ILX Workstation**	TWO	T2O	TWY	OTB	OTF	OTT
Reuters	**IDN (ETH)**	0#3TWO:	0#T2R:	0#QK:			
TradeStation		TWO.P	T2	TWY	OTB	OTF	OTT

Vendor Name	System Name	5 Year OTR Futures	5 Year OTR Futures	5 Year OTR Futures	5 Year OTR vs. 5 Year Treasury Note ICS	5 Year OTR vs. 10 Year OTR ICS	5 Year OTR vs. 5 Year Interest Rate Swap ICS
		Open Outcry	Globex	AON	CME Globex	CME Globex	CME Globex
		FIV	**T5**	**FIY**	**OFB**	**OFT**	**OFS**
Bloomberg	**Bloomberg**		Z5A				
CQG Inc.	**CQG for Windows**	FIV	T5	FIY	OFB	OFT	OFS
Data Transmission Network (DTN)		FIV	@T5	N/A	N/A	N/A	N/A
E-Signal	**eSignal**	FIV	T5	FIY	OFB	OFT	OFS
Thomson/Reuters	**ILX Workstation**	FIV	T5O	FIY	OFB	OFT	OFS
Reuters	**IDN (ETH)**	0#3FIV:	0#T5R:	0#QV:			
TradeStation		FIV.P	T5	FIY	OFB	OFT	OFS

Attachment 6

Selected Vendor Codes*
2-Year, 5-Year, and 10-Year OTR U.S. Treasury Futures

Vendor Name	System Name	10 Year OTR Futures	10 Year OTR Futures	10 Year OTR Futures	10 Year OTR vs. 10 Year Treasury Note ICS	10 Year OTR vs. 10 Year Treasury Interest Rate Swap ICS
		Open Outcry	CME Globex	AON	CME Globex	CME Globex
		TEN	**TN**	**TEY**	**OTY**	**ONS**
Bloomberg	Bloomberg		T0A			
CQG Inc.	CQG for Windows	TEN	TN	TEY	OTY	ONS
Data Transmission Network (DTN)		TEN	@TN	N/A	N/A	N/A
E-Signal	eSignal	TEN	TN	TEY	OTY	ONS
Thomson/Reuters	ILX Workstation	TEN	TNO	TEY	OTY	ONS
Reuters	IDN (ETH)	0#3TEN:	0#T0R:	0#QZ:		
TradeStation		TEN.P	TEN	TEY	OTY	ONS

*Available as of October 13, 2010.