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## Special Executive Report

S-4556

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### **EXCHANGE APPROVES DYNAMIC LISTING OF OUT-OF-CURRENT-RANGE STRIKE PRICES FOR SELECTED EQUITY AND FOREIGN EXCHANGE OPTIONS, EFFECTIVE MONDAY, MARCH 26, 2007**

As you were notified previously in CME Update / March 2007 Volume 3, on Thursday, February 15, 2007, CME approved implementation of dynamically listed options strike prices for selected CME Equity options and Foreign Exchange (FX) options. This new procedure for adding out-of-current range option strike prices was adopted under authority delegated to CME staff by the Board of Directors. Implementation is Monday, March 26, 2007.

**New Procedures:** Under the new procedures, customers may request the listing of an out-of-range strike price at regularly defined strike price intervals, and CME Trading Floor Operations may list such strike price for trading same day. For example, this new procedure will allow the listing of CME S&P 500 options strike prices that are out of the current approved listing range, which formerly could only be listed for trading under the Exchange's Flex options rules for CME Equity options. CME Equity product customers regularly request the listing of out-of-current-range strike prices. Further, please note that under the CME Equity Flex options rules, all existing open positions established under flexible trading procedures are fully fungible with transactions in the respective standard options series for all purposes.

The new procedures will be implemented also for selected CME FX options. In the past, out-of-current-range options strike price listings have been requested by FX customers. However, FX options do not trade under Flex rules and the Exchange is not planning to add any new options products under the Flex options procedures. These new procedures implemented March 26<sup>th</sup> will allow CME Trading Floor Operations staff to add out-of-range FX options strike prices at regular strike price intervals.

### **Proposed Rule Changes for Dynamically Listed Equity & FX Options:**

Minor rule additions are underlined for selected CME equity options and CME FX options (applies to both American- and European-style options).

## Equity Options Rule Amendments:

### CHAPTER 351A OPTIONS ON STANDARD AND POOR'S STOCK PRICE INDEX™ FUTURES

**351A01. OPTION CHARACTERISTICS** [Sections A through D are unchanged.]

**351A01.E. Exercise Prices** [Sections 1, 2 and 3 are unchanged.]

4. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 352A OPTIONS ON NIKKEI STOCK AVERAGE FUTURES

**352A01. OPTION CHARACTERISTICS** [Sections A through D are unchanged.]

**352A01.E. Exercise Prices** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 353A OPTIONS ON STANDARD AND POOR'S MIDCAP 400 STOCK PRICE INDEX™ FUTURES

**353A01. OPTION CHARACTERISTICS** [Sections A through D are unchanged.]

**353A01.E. Exercise Prices** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 354A OPTIONS ON RUSSELL 2000 STOCK PRICE INDEX™ FUTURES

**354A01. OPTION CHARACTERISTICS** [Sections A through D are unchanged.]

**354A01.E. Exercise Prices** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 357A OPTIONS ON NASDAQ 100 INDEX FUTURES

**357A01. OPTION CHARACTERISTICS** [Sections A through D are unchanged.]

**357A01.E. Exercise Prices** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

## FX Options Rule Amendments:

### CHAPTER 251A OPTIONS ON BRITISH POUND STERLING FUTURES

**251A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 252A OPTIONS ON CANADIAN DOLLAR FUTURES

**252A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 253A OPTIONS ON JAPANESE YEN FUTURES

**253A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 254A OPTIONS ON SWISS FRANC FUTURES

**254A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 255A OPTIONS ON AUSTRALIAN DOLLAR FUTURES

**255A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 256A OPTIONS ON MEXICAN PESO FUTURES

**256A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### CHAPTER 257A OPTIONS ON BRAZILIAN REAL FUTURES

**257A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 258A  
OPTIONS ON NEW ZEALAND DOLLAR FUTURES**

**258A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 259A  
OPTIONS ON SOUTH AFRICAN RAND FUTURES**

**259A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 260A  
OPTIONS ON RUSSIAN RUBLE FUTURES**

**260A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 261A  
OPTIONS ON EURO FUTURES**

**261A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 266A  
OPTIONS ON CZECH KORUNA FUTURES**

**266A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 267A  
OPTIONS ON HUNGARIAN FORINT FUTURES**

**267A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 268A**  
**OPTIONS ON POLISH ZLOTY FUTURES**

**268A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 301A**  
**OPTIONS ON EURO / BRITISH POUND FUTURES**

**301A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 303A**  
**OPTIONS ON EURO / JAPANESE YEN FUTURES**

**303A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 304A**  
**OPTIONS ON EURO / SWISS FRANC FUTURES**

**304A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 315A**  
**OPTIONS ON EURO / CZECH KORUNA FUTURES**

**315A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 316A**  
**OPTIONS ON EURO / HUNGARIAN FORINT FUTURES**

**316A02. LISTING OF EXERCISE PRICES** [Sections 1 and 2 are unchanged.]

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**CHAPTER 404A**  
**OPTIONS ON CME\$INDEX™ FUTURES**

**404A02. LISTING OF EXERCISE PRICES** [Sections 1, 2 and 3 are unchanged.]

4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

If you have any questions, please contact Allison Ferconio, Associate Director, Trading Floor Operations, at (312) 648-3854, or Tom Boggs, Associate Director, Equity Products, at (312) 930-3038, or Scott Brusso, Director, Foreign Exchange, at (312) 930-3133.