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Special Executive Report

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April 25, 2007

Quarter-Ticks in Certain CME Eurodollar Options and Half Strike Listings for CME Eurodollar Options

Effective Sunday, May 13, 2007 (for trade date of Monday, May 14, 2007), certain CME Eurodollar options and combination of options may trade in quarter tick increments (.0025 IMM index points.) Specifically, the first two March quarterly expirations and the first two serial expirations in CME Eurodollar options may trade in quarter ticks if the premium of the option is under 5 ticks (.05 IMM index points).

Further, any combination of CME Eurodollar options with at least one option leg in the first two March quarterly or the first two serial months may trade in a quarter tick increment as well, provided that the net premium is under 5 ticks (.05 IMM index points).

Please note that these changes supersede similar changes published in the April 2007 issue of CME Update. The original effective date on the trade date of Monday, April 30, 2007 shall be postponed to the trade date of Monday, May 14, 2007. The text of the Exchange Rule amendments, incremental to those published in the CME Update, is as follows, with additions underlined and deletions bracketed and overstruck.

Chapter 452A Options on Three-Month Eurodollar Futures

452A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .01 IMM Index point (1 basis point) shall represent \$25, except for 5 Year bundle options as specified in Paragraph 3. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).

1. Contract Month Whose Underlying Futures Contract is the Nearest Expiring Futures Contract Month

The minimum fluctuation shall be .0025 IMM Index point (also known as one-quarter tick).

2. All Other Contract Months

The minimum fluctuation shall be .005 IMM Index point (also known as one-half tick). Trades may also occur at a price of .0025 IMM Index point (\$6.25, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.

Further, for options expiring in the nearest or second nearest March quarterly or the nearest or second nearest non-March quarterly contract months trading at a premium of no more than .05

IMM Index points, or spread and combination trades at a net premium of no more than .05 IMM Index points and consisting of options contracts involving the nearest and/or second nearest non-March quarterly months and/or the nearest and/or second nearest March quarterly months ~~[only]~~, the options in the combination may trade in increments of .0025 IMM index points.

For the purpose of Rule 813.—Settlement Prices, the minimum fluctuation shall be .0025 IMM Index point (\$6.25, also known as one—quarter tick)

[The remainder of this rule is unchanged.]

Also, effective Sunday, May 13, 2007, the Exchange shall list additional “half strikes” on CME Eurodollar futures for all contract months, i.e. strike prices ending with .125, .375, .625 or .875. The Exchange shall list all half strikes within 1.50 IMM index points of the half strike nearest the settlement price of the underlying futures from the previous day. The text of the rule amendments is as follows, with additions underlined and deletions bracketed and overstruck.

452A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices

[Unchanged]

2. Special Listings of 12.5 Point Exercise Prices

Additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 (“twelve and a half point exercise prices”) for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875, etc.

For Options in the March Quarterly Cycle, Options Not in the March Quarterly Cycle, and One-Year, Two-Year and Fifth-Year Mid-Curve Options, ~~[For two nearest Options in the March Quarterly cycle and two nearest options not in the March Quarterly cycle, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of the last contract month in the same listing cycle. For the nearest options in the March Quarterly cycle and two nearest Serial options and the Weekly 1-Year MidCurve options, and the nearest options in the March Quarterly cycle 2-year and 5th-Year MidCurve options, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of last contract month in the same listing cycle. The]~~ the Exchange shall list put and call options ~~[at the]~~ with a 12.5 point exercise price in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the exercise price ~~[that is]~~ nearest the previous day's settlement price of the underlying futures contract month. ~~[and the 12.5 point exercise price above and the 12.5 point exercise price below the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract.]~~

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[The remainder of this Chapter is unchanged.]

If you have any questions, please contact Mr. Jeff Kilinski, Interest Rate Products, at 312-648-3817, or Mr. Richard Co, Research & Product Development, at 312-930-3227.