

SPECIAL EXECUTIVE REPORT

S-4608

September 5, 2007

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1. **CME Wood Pulp Futures and Options Listed on Sunday, September 9, 2007**

Northern Bleached Softwood Kraft (NBSK) Pulp futures and options contracts will be listed on Sunday, September 9 at 5:00 p.m. Chicago time on the CME Globex[®] system for the trade date of Monday, September 10.

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2. SPECIFICATIONS AND RULES FOR FUTURES CONTRACTS

Product	Northern Bleached Softwood Kraft Pulp (NBSKP)-Europe
Trading Venue	CME Globex System
Contract Size	20 (metric) tonnes
Quotation	U.S. dollars per tonne
Minimum Price Increment	\$0.50 per tonne (\$10 per contract)
Daily Price Limit	\$50 per tonne (\$1000 per contract) none for expiring contract in spot month
<u>Last Trading Day</u> Futures and Options	Last Tuesday of contract month
Ticker Symbol	WP
Settlement	Cash-settled to PIX NBSKP Europe Index monthly average
Strike Prices	\$5 per tonne (in \$100 range)
Position Limit	1000 contracts in any month
Trading Hours	5 p.m. to 4 p.m. next day Central time (expiring contract closes at 2 a.m. on last trading day)

CHAPTER 20x NORTHERN BLEACHED SOFTWOOD KRAFT PULP-EUROPE FUTURES

20x00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading of Northern Bleached Softwood Kraft Pulp (NBSKP)-Europe. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the Rules of the Exchange.

20x01. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at 20 metric tonnes times the FOEX Indexes Ltd.-PIX NBSKP Europe Index monthly average per tonne.

20x02. FUTURES CALL

A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for final settlement in such months as may be determined by the Board of Directors, subject to the requirement that all such determinations be submitted to the Commodity Futures Trading Commission in accordance with the provisions of the Commodity Exchange Act and all applicable regulations thereunder.

B. Trading Unit

The unit of trading shall be 20 metric tonnes.

C. Price Increments

Minimum price fluctuations shall be in multiples of \$.50 per tonne.

D. Daily Price Limits

There shall be no trading at a price more than \$50 per tonne above or below the previous day's settlement price, except that there shall be no daily price limits in the expiring contract during the spot month.

E. Position Limits

No person shall own or control more than 1,000 contracts long or short in any contract month.

For positions involving options on futures, this rule is superseded by the option speculative position limit rule.

F. 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.

G. Exemptions

The foregoing position limits shall not apply to bona fide hedging positions meeting the requirements of the Commodity Futures Trading Commission and the rules of the Exchange and shall not apply to other positions exempted pursuant to [Rule 543](#).

H. Termination of Trading

Trading shall terminate on the last Tuesday of the contract month. If that day is not a business day, then trading shall terminate on the preceding business day.

I. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that if any federal governmental agency issues an order, ruling, directive or law that conflicts with the requirements of these rules, 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 subject to such government orders.

20x03. SETTLEMENT PROCEDURES

A. Final Settlement

There shall be no delivery of NBSKP in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the PIX NBSKP Europe Index monthly average for the calendar month corresponding to the contract month for which trading has terminated.

20x03.B. - H. [RESERVED]

20x04. - 07. [RESERVED]

20x08. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that the calculation of the final settlement price is prevented by a strike, fire, accident, action of government, or act of God, he shall call a special meeting of the Board of Directors or the Business Conduct Committee and arrange for the presentation of evidence respecting the emergency condition. If the Board or Committee determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.
(End Chapter 20x)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 20x

LIMITATION OF LIABILITY AND DISCLAIMER

FOEX Indexes Ltd. grants the Exchange the rights to use the PIX NBSK Europe Index (Index) in connection with the trading of futures contracts and options on futures contracts based upon such Index. FOEX Indexes Ltd. makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the data in connection with the trading of futures contracts, options on futures contracts or any other use. FOEX Indexes Ltd. makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index. Without limiting any of the foregoing, in no event shall FOEX Indexes Ltd. have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CHAPTER 20xA OPTIONS ON NORTHERN BLEACHED SOFTWOOD KRAFT PULP-EUROPE FUTURES

20xA00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the Northern Bleached Softwood Kraft Pulp-Europe futures contract. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

20xA01. OPTION CHARACTERISTICS

A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Governors, subject to the requirement that all such determinations be submitted to the Commodity Futures Trading Commission in accordance with the provisions of Section 5a(12) of the Commodity Exchange Act and all Commission regulations thereunder.

B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Northern Bleached Softwood Kraft Pulp-Europe futures contract as specified in Chapter 20x.

C. Minimum Fluctuations

The price of an option shall be quoted in dollars per metric tonne. Minimum price fluctuations shall be in multiples of \$.50 per tonne. A trade may also occur at a price of \$.25 per tonne, whether or not it results in the liquidation of positions for both parties to the trade.

D. Underlying Futures Contract

The underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in January is the January futures contract.

E. Exercise Prices

The exercise prices shall be stated in terms of dollars per metric tonne at intervals of \$5, e.g., \$470, \$475, \$480, etc.

At the commencement of option trading in a contract month, the Exchange shall list put and call options in a range of \$100 above and below the previous day's settlement price of the underlying futures contract.

When a sale, bid or offer in the underlying futures contract occurs at, or passes through, an exercise price, put and call option contracts at the next higher (or lower) exercise price in a \$100 range shall commence trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate, subject to the provisions of Section 5a(12) of the Commodity Exchange Act and CFTC regulations thereunder.

F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds 1,000 futures equivalent contracts net on the same side of the market in any contract month.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for the purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

G. Accumulation of Positions

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 position of all accounts in which a person or person have a proprietary or beneficial interest, shall be cumulated.

H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract

J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

20xA02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of Northern Bleached Softwood Kraft Pulp-Europe options.

A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7 p.m. on the day of final settlement by the clearing member representing the option buyer, be exercised automatically.

B. Assignment

Exercise Notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an Exercise Notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the Exercise Notice.

20xA03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Governors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 20xA)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 20xA

LIMITATION OF LIABILITY AND DISCLAIMER

FOEX Indexes Ltd. grants the Exchange the rights to use the PIX NBSK Europe Index (Index) in connection with the trading of futures contracts and options on futures contracts based upon such Index. FOEX Indexes Ltd. makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the data in connection with the trading of futures contracts, options on futures contracts or any other use. FOEX Indexes Ltd. makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index. Without limiting any of the foregoing, in no event shall FOEX Indexes Ltd. have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

If you have any questions about these specifications or rules, please contact Jack Cook, Associate Director, Commodity Research and Product Development at 312/930-3295.

3. INITIAL CONTRACT MONTHS AND LISTING PROCEDURE

All calendar months are eligible for trading. The Exchange will initially list for trading 24 contract months, from October 2007 through September 2009.

The Exchange will list the next contract month not yet listed on the business day following termination in trading of the nearby futures contract month.

If you have any questions about these procedures, please contact the CME Globex Control Center at 312/456-2391.

4. REPORTABLE POSITION LEVELS

For purposes of Rule 561-REPORTS OF LARGE POSITIONS, the minimum level at which positions must be reported to the Exchange is 25.

If you have any questions about this, please contact the Market Regulation Department at 312/930-8525.

5. MEMBERSHIP ACCESS AND FEES

The contracts are assigned to the IOM division. Per Rule 194, the contracts are included in the New Product Access Program. The contracts are also included in the Expanded-Access Product program.

	Futures Fees (round-turn)	Options Fees (round-turn)
Equity/Clearing members	\$1.22	\$0.72
Members 106.I/S	\$1.22	\$0.72
Lessee 106.D/Employee 106.F	\$1.62	\$1.12
Firms 106.H/N	\$1.98	\$1.48
Non-members	\$3.78	\$2.58
Block trade surcharge	\$1.75	\$1.75

If you have questions regarding fees, please contact the Accounting Department at 312/648-5470.

6. QUOTE VENDORS

If you have any questions regarding quote vendors, please contact the Market Data Operations Department at 312/648-5480.

7. CME GLOBEX TRADING POLICIES

For purposes of Rule 588-GLOBEX TRADE CANCELLATIONS, a “no-bust” range of \$5 or less per ton will be applied. The minimum block trade threshold will be 5 contracts.

If you have any questions regarding these policies, please contact the CME Globex Control Center at 312/456-2391.

8. PERFORMANCE BONDS FOR FUTURES

If you have any questions about these requirements, please contact the Risk Control Department at 312/648-3888.

9. MARKET MAKER PROGRAM

CME is soliciting for market makers to post bids and offers on futures and options contracts in return for market incentives.

For further information about the market maker programs, please contact John Harangody, Director, Commodity Products and Services, at 312/466-4437.