



Special Executive Report

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S-4533

January 11, 2007

Equity Index Options Spread Tick Rule Revised

Effective on the trade date of Monday, January 22, 2007, the Exchange Rules governing the spreads and combination of Options on Equity Index futures shall be simplified. All spread or combination trade of equity index options shall be allowed to trade at any net premium level provided that each and every leg in the spread and combination can be assigned a valid price in accordance with the tick rule for the outright options. Further, if the option spread or combination trades at a net premium under its product-specific threshold, the net premium may tick in the smaller increment of .05 index points. The product specific thresholds are as follows:

Outright Options or Options Spread/Combination may trade in .05 index point increments if the outright/net premium level is at or below:	
5.00 index points	3.00 index points
S&P 500 [®] S&P 500/Citigroup Growth™ S&P 500/Citigroup Value™ E-mini S&P 500 [®]	NASDAQ-100 [®] E-mini NASDAQ-100 [®] E-mini Russell 2000 [®]

For example, an option on the S&P 500 futures may trade at an increment of .05 index points if (i) the premium level of the option is at or below 5.00 index points, or (ii) the option is traded as part of an option spread/combination trade at a net premium level of 5.00 index points.

The text of the amendments is as follows, with additions underlined and deletions bracketed and overstruck.

Chapter 5 TRADING QUALIFICATIONS AND PRACTICES

542. SIMULTANEOUS SPREAD AND COMBINATION TRANSACTIONS

[A. – D. remain unchanged.]

- E. ~~[Trading is allowed in simultaneous spread or combination transactions involving options on equity index futures contracts trading at whole integer and non-integer tick prices, but not involving futures contracts, subject to the conditions applying to other spread or combination transactions and also subject to the following respective additional conditions:~~

1. ~~Spread and combination transactions involving the simultaneous purchase and sale of options~~

~~in which one or more of the options is trading at a non-integer tick price are allowed provided that the total number of options in the combination is four or less and that the net absolute price differential is ten ticks or less.~~

- ~~2. Spread and combination transactions involving the purchase of every leg or the sale of every leg of a two legged or three legged combination in which one or more of the options is trading at a non-integer tick price are allowed provided that the aggregate combination price is forty ticks or less.]~~

[Reserved]

[F. remains unchanged.]

[The remainder of Chapter 5 remains unchanged.]

Chapter 351A

Options on Standard and Poor's 500 Stock Price Index™ Futures

351A01. OPTION CHARACTERISTICS

[351A01.A. and B. remain unchanged.]

351A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50 also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

[The remainder of Chapter 351A remains unchanged.]

Chapter 355A

Options on S&P 500/ CITIGROUP Growth Index Futures

355A01. OPTION CHARACTERISTICS

[355A01.A. and B. remain unchanged.]

355A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50 also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

[The remainder of Chapter 355A remains unchanged.]

Chapter 356A
Options on S&P 500/ CITIGROUP Value Index Futures

356A01. OPTION CHARACTERISTICS

[356A01.A. and B. remain unchanged.]

356A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50 also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

[The remainder of Chapter 356A remains unchanged.]

Chapter 357A
Options on NASDAQ 100 Index Futures

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357A01. OPTION CHARACTERISTICS

[357A01.A. and B. remain unchanged.]

357A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$1.00. The minimum fluctuation shall be 0.25 index points (also known as one tick), equivalent to \$25.00 per contract. Trades may also occur at a price of .05 index points or \$5.00, whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$5.00.

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 3.00 index points.

[The remainder of Chapter 357A remains unchanged.]

Chapter 358A
Options on E-mini Standard and Poor's 500
Stock Price Index Futures

358A01. OPTION CHARACTERISTICS

[358A01.A. and B. remain unchanged.]

358A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$0.50. The minimum fluctuation shall be .25 index points (also known as one tick). Trades may also occur at a price of .05 index points \$2.50, whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, \$2.50.

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

[The remainder of Chapter 358A remains unchanged.]

Chapter 359A Options on E-mini NASDAQ 100 Index Futures

359A01. OPTION CHARACTERISTICS

[359A01.A. and B. remain unchanged.]

359A01.C. Minimum Fluctuations

The price of an option shall be quoted in index point. Each .01 index point shall represent \$0.20. The minimum fluctuation shall be 0.25 index points (also known as one tick), equivalent to \$5.00 per contract. Trades may also occur at a price of .05 index points or \$1.00, whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$1.00.

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 3.00 index points.

[The remainder of Chapter 359A remains unchanged.]

Chapter 361A Options on E-Mini Russell 2000 Futures

361A01. OPTION CHARACTERISTICS

[361A01.A. and B. remain unchanged.]

361A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point (1 basis point) shall represent \$1.00. The minimum fluctuation shall be 0.10 index points (also known as one tick). Trades may also occur at a price of 0.05 index points \$5.00, also known as one-half tick, whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points.

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 3.00 index points.

[The remainder of Chapter 361A remains unchanged.]

If you have any questions regarding these rule amendments, please contact Mr. Tom Boggs, Equity Index Products, at 312-930-3038, or Mr. Richard Co, Research & Product Development, at 312-930-3228.