

## Special Executive Report

S-4618

September 21, 2007

### Stock Index Price Limits to be Revised Effective for 4<sup>th</sup> Quarter 2007

Exchange price limit rules for domestic stock index futures\* call for a quarterly re-assessment of price limits based on prevailing market prices. Limits are calculated quarterly at the close of business on the day preceding the commencement of a new calendar quarter. Thus, new limits shall become effective with the commencement of Electronic Trading Hours (ETH) on Sunday, September 30 at 5:00 p.m. The revised limits shall be applicable throughout the 4<sup>th</sup> calendar quarter, 2007.

If limits were calculated using data collected through Thursday, September 20, price limits for the 4<sup>th</sup> calendar quarter of 2007 would be as set forth below. The official calculation will occur at the close of business on Friday, September 28. Details of the revised limits will appear on the Exchange's Web site at [www.cme.com](http://www.cme.com) shortly thereafter, and a Special Executive Report will appear on the Exchange floor before the opening of Regular Trading Hours (RTH) on Monday, October 1. *Pro-forma* limits and bands may be calculated as follows ...

#### *Pro-Forma* 4<sup>th</sup> Quarter 2007 Stock Index Price Limits and Bands

Contracts	5% Limit	10% Limit	15% Limit	20% Limit	2x No Bust Band	4x No Bust Band
S&P 500® & E-mini™	70.00	140.00	210.00	280.00	12.00	na
MidCap 400™ & E-mini	42.00	85.00	127.00	170.00	8.00	na
S&P/Citigroup Growth™	32.00	65.00	97.00	130.00	8.00	na
S&P/Citigroup Value™	37.00	75.00	112.00	150.00	8.00	na
E-mini Russell 1000®	40.00	80.00	120.00	160.00	8.00	na
Russell 2000® & E-mini	37.00	75.00	112.00	150.00	8.00	na
NASDAQ-100® & E-mini	100.00	200.00	300.00	400.00	24.00	na
E-mini NASDAQ Composite®	130.00	260.00	390.00	520.00	24.00	na
E-mini NASDAQ Biotechnology®	40.00	80.00	120.00	160.00	24.00	na
S&P 500 Financial SPCTR™	22.00	44.00	66.00	88.00	6.00	na
S&P 500 Technology (Telecom/IT) SPCTR™	14.00	28.00	42.00	56.00	6.00	na
S&P Smallcap 600™	20.00	40.00	60.00	80.00	8.00	na
All TRAKRS <sup>SM</sup>					na	1.00

\* Note, however, that futures on any TRAKRS<sup>SM</sup> Index trade without explicit price limits. Rather, TRAKRS Rules require trading halts coordinated with trading halts in the primary security markets.

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The Exchange's circuit breakers are re-assessed quarterly rather than established at fixed levels insofar as fixed limits are not responsive to on-going market fluctuations. CME rules are designed to coordinate with circuit breaker provisions as applied by the New York Stock Exchange (NYSE).

The NYSE enforces limits at 10%, 20% and 30% declines of the Dow Jones Industrial Average (DJIA), calculated at the beginning of each calendar quarter, using the average closing value of the DJIA for the prior month, rounded to the nearest 50 points. **Pro-forma** limits may be calculated at 1,350, 2,700 and 4,050 (limits were at 1,350, 2,700 and 4,050 index points during the previous calendar quarter).

The NYSE also places certain restrictions or "collars" on index arbitrage activity in the event of a 2% price advance or decline per NYSE Rule 80A. The **pro-forma** 2% trigger for the application of Rule 80A is calculated at 190 NYA points (the trigger stood at a level of 190 index points during the previous calendar quarter).

The historic merger between CME and CBOT means that Dow Jones Industrial Average (DJIA) futures are now an important component of the CME Group's roster of benchmark stock index products. Please note that legacy CBOT price limit Rules diverge from legacy CME price limit Rules. In particular, DJIA price limits are established at the NYSE's quarterly circuit-breaker thresholds, or 10%, 20% and 30% level of the underlying spot Dow Jones Industrial Average (DJIA). **Pro-forma** limits may be calculated as follows ...

Contracts	10% Limit	20% Limit	30% Limit
DJIA Futures	1,350.00	2,700.00	4,050.00

*Please consult the Rulebook for a complete description of the application of the circuit breaker provisions .Or, you may wish to direct any inquiries to Lucy Wang, Research Analyst, Product Research and Development at 312-648-5478.*