



Special Executive Report

S-4707

April 23, 2008

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1. CME GROUP NONFARM PAYROLL FUTURES AND OPTIONS LAUNCH ON SUNDAY, APRIL 27, 2008

CME Group is introducing futures and options on the U.S. Bureau of Labor Statistics' (BLS) Nonfarm Payroll data on Sunday, April 27, 2008, in anticipation of the Friday, May 2 release of the April economic data. These contracts, based on the BLS Establishment Survey of 375,000 businesses that is usually released on the first Friday of each month, will allow customers to directly manage their exposure to the government labor number or to offset positions in financial markets. The Nonfarm Payroll report is typically the first major economic release of each month and speaks to the condition of employment from the prior month. It is closely followed as a way to gauge how the Federal Open Markets Committee perceives economic growth.

The Nonfarm Payroll contracts will be listed exclusively on the CME Globex electronic trading platform. One contract will be listed at a time and each contract will be listed on the Monday after the previous month's release. Trading in the expiring contract concludes at 7:25 a.m. on the day that the BLS releases its Nonfarm Payroll report. Each contract is valued at \$25 times the change in the Nonfarm Payroll number (000's) from the previous month.

2. TRADING HOURS (CENTRAL TIME) FOR CME GROUP NONFARM PAYROLL FUTURES AND OPTIONS

CME Globex Platform (Sunday through Friday)

5:00 p.m. (trading opens for the next trade date) to 4:00 p.m. the following day.
On Friday CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.

3. **CME GROUP CONTACTS:**

Angie DiCarlo, Associate Director, Alternative Investments, at (312) 930-4515
Lori Aldinger, Associate Director, Financial Product Research, at (312) 930-2337
John Labuszewski, Managing Director, Research & Product Development, at (312) 466-7469

4. **CONTACT MONTHS AND LISTING SCHEDULE**

New contract months are listed on the Monday after the previous month's release.

Reference Month	Listing Date (Trade Date)	Release/Termination Date
April 2008	April 27, 2008 (April 28, 2008)	May 2, 2008
May 2008	May 4, 2008 (May 5, 2008)	June 6, 2008
June 2008	June 8, 2008 (June 9, 2008)	July 3, 2008
July 2008	July 6, 2008 (July 7, 2008)	August 1, 2008
August 2008	August 3, 2008 (August 4, 2008)	September 5, 2008
September 2008	September 7, 2008 (September 8, 2008)	October 3, 2008
October 2008	October 5, 2008 (October 6, 2008)	November 7, 2008
November 2008	November 9, 2008 (November 10, 2008)	December 5, 2008
December 2008	December 7, 2008 (December 8, 2008)	January 9, 2009

5. **MEMBERSHIP ACCESS**

Nonfarm Payroll futures and options are allocated to the GEM Division. Extended access product (EAP) status applies to full CBOT, AM, IDEM, GIM and COM classes.

6. **EXCHANGE FEES AND MARKET MAKER PROGRAM**

The following fee schedule will be in effect for Nonfarm Payroll futures and options:

Membership Type	Clearing Fee	Globex Fee	All in Fee
Equity Members/Clearing Members/Inactive Clearing Members/ Rule 106.I Members/Rule 106.S Member Approved Funds	\$0.09	\$0.10	\$0.19
Rule 106.D Lessees / Rule 106.F Employees	\$0.27	\$0.10	\$0.37
Rule 106.R Electronic Corporate Member - Holding Member	\$0.34	\$0.10	\$0.44
Rule 106.R Electronic Corporate Member - Volume Incentive Program	\$0.49	\$0.10	\$0.59
Rule 106.H and 106.N Firms	\$0.34	\$0.10	\$0.44
Asian Incentive Program Participants	\$0.34	\$0.10	\$0.44
European Incentive Program Participants	\$0.34	\$0.10	\$0.44
eFX Bank Incentive Program Participants	\$0.64	\$0.55	\$1.19
Korean Bank Incentive Program Participants	\$0.64	\$0.55	\$1.19
CBOE Members	\$0.64	\$0.55	\$1.19
Customers of Member Firms	\$0.64	\$0.55	\$1.19

Nonfarm Payroll Market Maker Program

To help grow liquidity, CME Group is implementing a Market Maker program for designated market-makers. This program will help secure the participation of market-makers to provide the

early liquidity essential for the successful launch of Nonfarm Payroll futures and options. Globex and clearing fees will be waived for designated market makers for Nonfarm Payroll futures and options trades. The Market Maker program will be effective through December 31, 2008.

7. CME GLOBEX ERROR TRADE POLICY AND CME GLOBEX PRICE BANDS

There will be no error trade policy in force for Nonfarm Payroll futures and options. Customers may request GCC to facilitate unwinding of a trade if the other parties are willing. Automated price banding prevents execution of orders at prices falling outside of 99 points. There will be a daily price limit of 500 points. A price limit of ± 200 points will be applied to the final settlement price from the previous day's settlement price.

If you have any questions, please contact the CME Globex Control Center at (312) 456-2391.

8. REPORTABLE POSITIONS

For purposes of Rule 561 – REPORTS OF LARGE POSITIONS, the minimum levels at which positions must be reported to the Exchange is 25 for Nonfarm Payroll futures and options contracts.

9. BLOCK TRADING

Block trading is allowed in Nonfarm Payroll futures and options at a minimum threshold of 20 contracts.

10. PERFORMANCE BOND REQUIREMENTS

Performance bond requirements can be found on the CME Group web site at the following link:
<http://www.cmegroup.com/CmeWeb/html.wrap/wrappedpages/clearing/pbrates/PBISHomePage.htm?h=2>

If you have any questions, please contact the Risk Management Department at (312) 648-3888.

11. MDP CHANNEL INFORMATION

Market data for Nonfarm Payroll futures and options can be found on Market Data Platform channel 9.

12. SELECTED QUOTE DATA SYMBOLS

Nonfarm Payroll Futures and Options		
Vendor Name	System Name	NFP
Bloomberg	Bloomberg	FARA
CQG Inc.	CQG for Windows	NFP
Data Transmission Network		@NFP
E-Signal	eSignal	NFP
Reuters	IDN (ETH)	0#NPF: / 0#NPF+
Bridge	BIS	us@NFP
Track Data	MX	NFP`
TradeStation		NFP

13. SUMMARY OF CONTRACT SPECIFICATIONS

Futures		Options
Contract Size	\$25 x change in Total Nonfarm Payrolls (000's) as published by BLS	One (1) futures contract
Quote	Quoted in thousands, <i>e.g.</i> , May 2007 contract would have settled at +157, representing change in Nonfarm Payrolls (in 000s) from April to May 2007. Each minimum price fluctuation of 1 point (1,000 jobs) = \$25.00	Quoted in 500 jobs or minimum fluctuation of 0.5 (= \$12.50)
Contract Months	Contracts available for all NFP releases, listed on the Monday after the previous month's release	
Trading Hours	Offered exclusively on CME Globex® electronic trading platform on Sundays through Thursdays from 5:00 p.m. to 4:00 p.m. CT	
Last Trading Day	Trading in an expiring contract concludes at 7:25 a.m. CT on the first Friday of the contract month or such other day on which NFP figures are scheduled to be released by the BLS	
Final Settlement	Settled in cash based on change in seasonally adjusted total Nonfarm Payrolls (NFPs) reported by U.S. Dept. of Labor, Bureau of Labor Statistics Table B-1., Employees on nonfarm payrolls by industry sector and selected industry detail, seasonally adjusted change in total nonfarm payrolls for month prior to named contract month	American style options may be exercised into one (1) futures contract
Strike Prices	Na	Established at 10 point (or 10,000 jobs) intervals from -500,000 to +500,000 jobs
Price Limit	Price limit of ±200 points (200,000 jobs = \$5,000) applied to final settlement price from previous business day's settlement price	Movement in value of a call (put) is effectively capped (floored) by virtue of price limit applied to futures contract

14. NONFARM PAYROLL FUTURES AND OPTIONS CONTRACT RULES

Chapter 437 Nonfarm Payrolls Futures

43700. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the change in Nonfarm Payrolls published by the Bureau of Labor Statistics. The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

43701. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at \$25.00 times the change in seasonally adjusted total Nonfarm Payrolls published by the U.S. Department of Labor, Bureau of Labor Statistics.

43702. FUTURES CALL

43702.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Board of Directors.

43702.B. Trading Unit

The size of the unit of trading shall be the \$25.00 times the change in seasonally adjusted total Nonfarm Payrolls published by the U.S. Department of Labor, Bureau of Labor Statistics.

43702.C. Price Increments

Bids and offers shall be quoted in terms of thousands of jobs. For example, a change in the Nonfarm Payrolls of +157,000 jobs shall be quoted as +157. The minimum fluctuation of the futures contract shall be 1 point (1,000 jobs) equivalent to \$25.00.

43702.D. Position Limits

A person shall not own or control more than 5,000 contracts net long or net short in all contract months combined. For positions involving options on Nonfarm Payroll futures, this rule is superseded by the options speculative position limit rule.

43702.E. Accumulation of Positions

For 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.

43702.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

43702.G. Termination of Trading

Futures trading shall terminate at 7:25 a.m. (Chicago time) on the first Friday of the contract month or on such other day of the regularly scheduled release of the change in the Nonfarm Payrolls by the U.S. Department of Labor, Bureau of Labor Statistics, in the contract month.

43702.H. Contract Modifications

Specifications shall be fixed as of the first day of trading on a contract. If any governmental agency or body 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.

43702.I. Price Limits

A price limit of ± 200 points shall be applied to the final settlement price from the previous day's settlement price.

43703. SETTLEMENT PROCEDURES

Delivery under the Nonfarm Payrolls futures contracts shall be by cash settlement.

43703.A. Final Settlement Price

The Final Settlement Price shall be the change in the seasonally adjusted total Nonfarm Payrolls, as reported per Table B-1. Employees on nonfarm payrolls by major industry sector and published by the U.S. Department of Labor, Bureau of Labor Statistics. The Final Settlement price shall be established at 7:30 Chicago time (8:30 Eastern time) on the first Friday of the month or such other regularly schedule time and date on which the Bureau of Labor

Statistics may release such information. The change in Nonfarm Payrolls is for the month prior to the contract month. For example, the April contract final settlement price will be the change in Nonfarm payrolls from February to March.

For the purpose of determining the Final Settlement Price, the Nonfarm Payrolls data as originally released shall be used. Subsequent revisions to the Nonfarm Payrolls data shall not be recognized.

43703.B. Final Settlement

Clearing members holding open positions in a Nonfarm Payrolls futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

43704. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 437)

Chapter 437A
Options on Nonfarm Payrolls Futures

437A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the Nonfarm Payrolls 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.

437A01. OPTION CHARACTERISTICS

437A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any Nonfarm Payrolls option contract when the primary futures contract for that Nonfarm Payrolls contract is limit bid or offered.

For the purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility for determining whether the primary futures contract is limit bid or offered.

437A01.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 Nonfarm Payrolls futures contract as specified in Chapter 437.

437A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of 500 jobs. The minimum fluctuation shall be 0.5 equivalent to \$12.50.

437A01.D. [Reserved]

437A01.E. Exercise Prices

Exercise prices shall be stated in terms of the Nonfarm Payroll futures contract that is deliverable upon exercise of the option and shall be established at such intervals and within a range to be determined by the Board or its delegates.

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

437A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 5,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

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 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.

437A01.G. [Reserved]

437A01.H. 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.

437A01.I. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing options positions defined in

accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559 and shall not apply to other option positions exempted pursuant to Rule 559.

437A01.J. Termination of Trading

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

437A01.K. Contract Modification

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.

437A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of Nonfarm Payrolls options.

437A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day that 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 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

Corrections to option exercises may be accepted by the Clearing House after the 7:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to: (1) a bona fide clerical error, (2) an unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to the deadline. The decision whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

437A02.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 before the opening of Regular Trading Hours 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 is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and short position if a put is 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 of acceptance by the Clearing House of the exercise notice.

437A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 437A)