

Special Executive Report

S-4813

January 22, 2009

REMINDER OF FOREIGN EXCHANGE FUTURES BLOCK TRADE MINIMUMS EFFECTIVE MONDAY, JANUARY 26, 2009

As you were notified previously in CME Group Member Update January 2009, Volume 1, dated Monday, January 5, 2009, and in CME Group Special Executive Report, S-4801, dated Tuesday, December 16, 2008, on Thursday, December 11, 2008, CME Group approved block trade minimum quantities that will be applicable to outright foreign exchange (FX) futures trading. No amendments to CME Rule 526 – **BLOCK TRANSACTIONS** are required (see text of the block trading rule that follows below). FX futures block trades may be executed at any time at a fair and reasonable price and are required to be reported by the seller to the Globex Control Center (“GCC”) via telephone at 312-456-2391 (see link: <http://www.cmegroup.com/clearing/trading-practices/block-trades.html> for details). Beginning Monday, January 26, 2009, CME Group will allow block trading in outright FX futures contracts at the following specified minimum numbers of contracts and above.

CME GROUP OUTRIGHT FX FUTURES CONTRACT BLOCK TRADE MINIMUM QUANTITIES

<u>Minimum Contracts</u>	<u>FX Futures Contract Currency Pairs</u>
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150 contracts:	EUR/USD, JPY/USD.
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100 contracts:	AUD/USD, CAD/USD, CHF/USD, GBP/USD, MXN/USD.
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50 contracts:	All other FX futures contracts (AUD/CAD, AUD/JPY, AUD/NZD, CAD/JPY, CHF/JPY, EUR/AUD, EUR/GBP, EUR/CAD, EUR/CHF, EUR/JPY, EUR/NOK, EUR/SEK, GBP/JPY, GBP/CHF, NOK/USD, NZD/USD, SEK/USD, RUB/USD, ZAR/USD, BRL/USD, CZK/USD, CZK/EUR, HUF/USD, HUF/EUR, ILS/USD, KRW/USD, PLN/USD, PLN/EUR, RMB/USD, RMB/EUR, RMB/JPY, USD/TRY, EUR/TRY, E-MINI EUR/USD, E-MINI JPY/USD, CME\$INDEX).
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BLOCK TRADE MINIMUMS FOR INTRA- AND INTER- FX FUTURES SPREADS AND FX FUTURES / OPTIONS COMBINATIONS

For both intra- and inter-FX futures spreads, the applicable block trade minimums for both legs of the spreads will be the larger of the two block trade minimums for each currency.

Previously, FX futures blocks were allowed only when done in combination with FX options as spreads. The FX futures block trade minimum in this case was 25 contracts, and the FX options block trade minimum was 250 contracts. This requirement will remain unchanged.

526. BLOCK TRADES

The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

- A. A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve the minimum transaction size, except by those entities described in Sections I. and J.
- B. Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act.
- C. A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- D. The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.
- E. Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.
- F. The seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution; except that block trades in Eurodollar, Housing and Weather futures and options and 3-Month OIS futures must be reported within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.
- G. Clearing members must report block trades to the Clearing House in accordance with the Clearing House Manual of Operations.
- H. Clearing members and members involved in the execution of block trades must maintain a record of the transaction in accordance with Rule 536.
- I. A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.
- J. A foreign Person performing a similar role or function to a CTA or investment advisor as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such Persons.

If you have any questions, please contact Scott Brusso, Director, FX Products, at 312-930-3133, or Bob Sniegowski, Associate Director, Market Regulation, at 312-341-5991, or Kathleen Zaino, Associate Director, Market Regulation, at 312-435-3577, or Steve Youngren, Associate Director, Financial Product Development, at (312) 930-4583.