

Research & Product Development

June 22, 2010

CME Group Equity Index Futures Quarterly Roll Summary

This quarterly roll period (Jun/Sep 2010) on the CME Group website, we began offering a set of enhanced roll tracking analytical tools that included hourly pricing data and views to historical roll periods. You'll find more in-depth information there than is possible in this summary – including the ability to run customized calculations based on user-defined dividend assumptions. To take advantage of this tool (shown below), visit www.cmegroup.com/rollpace.

Exhibit 1

Take advantage of enhanced roll tracking tools at the Equity Quarterly Roll Analyzer page, found at www.cmegroup.com/rollpace.

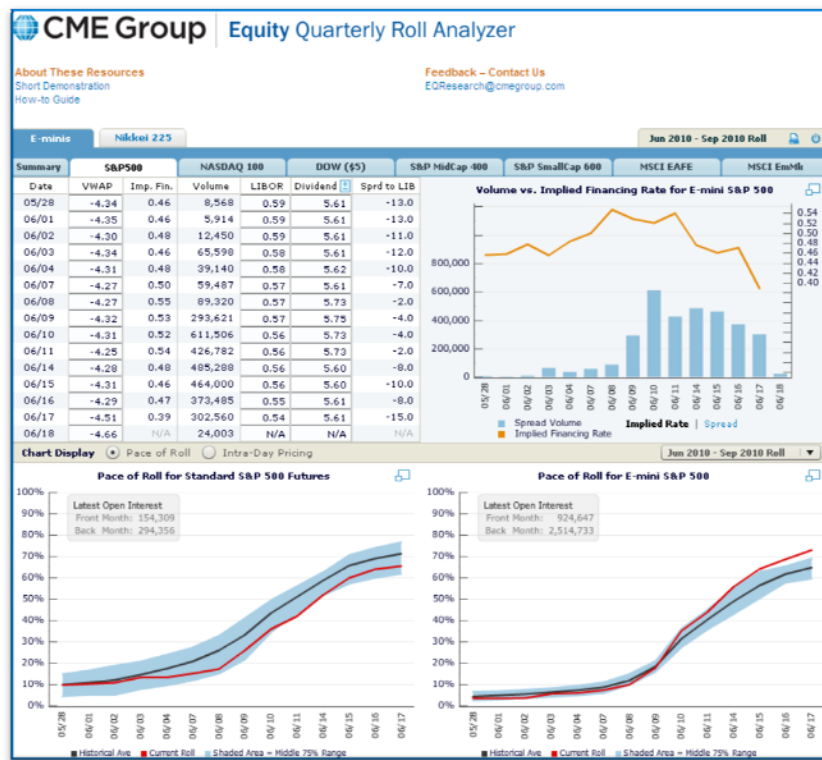


Exhibit 2 on the next page and Exhibit 4 on page summarize the pricing for the June/Sep 2010 quarterly roll market.

Exhibit 2

Volume Weighted Average Price and the corresponding volume weighted average implied financing rate of March-June calendar spreads in various domestic index futures.

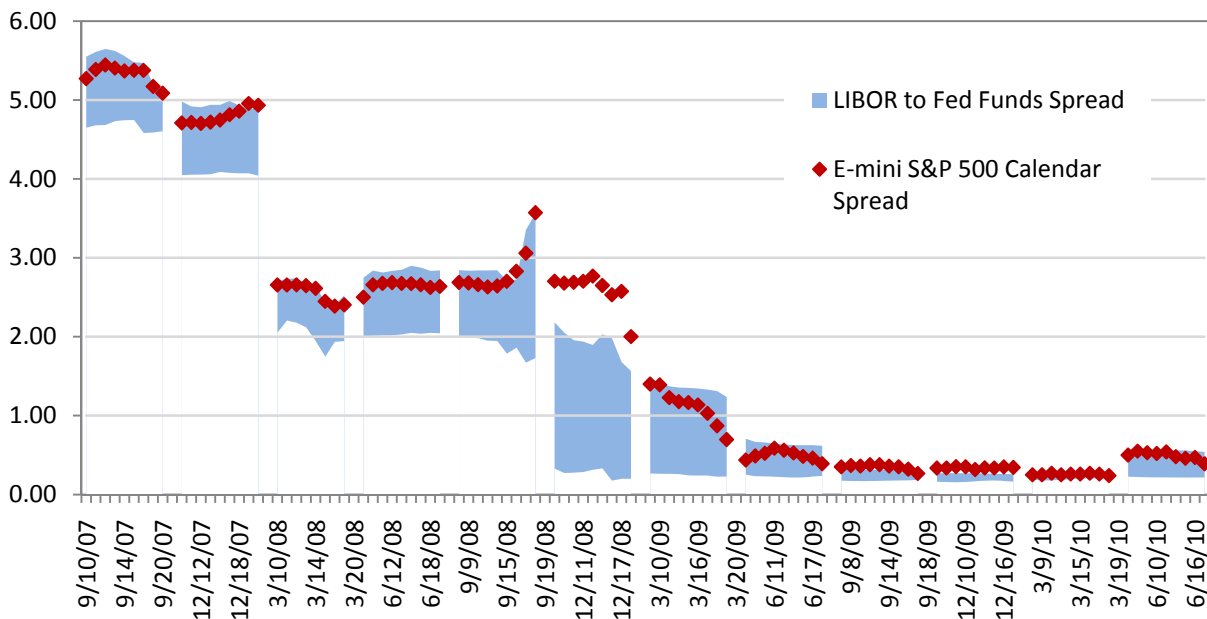
Date	S&P 500			E-mini NASDAQ-100		E-mini Dow (\$5)		E-mini S&P MidCap 400		E-mini S&P SmallCap 600	
	VWAP		Impl. Fin.	VWAP	Impl. Fin.	VWAP	Impl. Fin.	VWAP	Impl. Fin.	VWAP	Impl. Fin.
6/7/10	-4.27	-4.25	0.50	-1.76	0.26	-57.94	0.53	-2.03	0.38	n/a	n/a
6/8/10	-4.27	-4.29	0.55	-1.65	0.29	-58.95	0.52	-2.11	0.34	-0.80	0.11
6/9/10	-4.32	-4.31	0.53	-1.62	0.29	-59.10	0.51	-2.01	0.39	-1.01	-0.14
6/10/10	-4.31	-4.30	0.52	-1.61	0.29	-59.06	0.51	-1.86	0.46	n/a	n/a
6/11/10	-4.25	-4.26	0.54	-1.46	0.32	-59.11	0.50	-1.89	0.44	-0.80	0.13
6/14/10	-4.28	-4.26	0.48	-1.34	0.34	-59.57	0.45	-2.01	0.37	-0.91	0.00
6/15/10	-4.31	-4.27	0.46	-1.27	0.35	-59.24	0.46	-2.06	0.34	n/a	n/a
6/16/10	-4.29	-4.28	0.47	-1.00	0.41	-58.68	0.48	-2.01	0.36	-1.12	-0.23
6/17/10	-4.51	-4.51	0.39	-1.10	0.38	-59.39	0.45	-1.95	0.39	n/a	n/a

Source: CME Group.

Of particular note (as Exhibit 2 shows), S&P 500 futures started trading slightly lower to LIBOR, with the discount progressively growing larger as the roll continued. With the spread between Fed Funds and LIBOR widening this quarter, the roll market exhibited plenty of pricing variability, a marked departure from the two previous rolls. To give you some context, Exhibit 3 the implied financing rate of the S&P 500 roll relative to LIBOR and Fed Funds during the past 12 rolls. Following the last three rolls, during which the LIBOR/Fed Funds spread narrowed to pre-financial crisis levels, this quarterly roll the spread widened again as the market continue to weigh the European debt woes.

Exhibit 3

E-mini S&P 500 Calendar Spread Implied Financing Rates relative to the LIBOR and Fed Funds Rates.



Source: CME Group.

Turning to the MSCI contracts, as was customary for the E-mini MSCI EAFE contract, the roll was largely condensed into a three-day period (June 14-16), with the spread market trading progressively lower as the days went on. In contrast, the roll in the E-mini Emerging Markets futures contract was much more spread out, with the pricing high but in line with previous rolls. To help you compare, in Exhibit 4 we have provided the implied financing rates based on both the gross and net dividend assumptions.

Exhibit 4

Estimated roll costs for the E-mini MSCI EAFE and E-mini MSCI Emerging Markets futures during the Jun/Sep 2010 roll period.

	E-mini MSCI EAFE				E-mini MSCI Emerging Markets			
	VWAP	Impl. Fin. (Gross Div)	Impl. Fin. (Net Div)	CME Globex Volume	VWAP	Impl. Fin.	Impl. Fin. (Net Div)	CME Globex Volume
6/7/10	n/a	n/a	n/a	0	4.00	4.59	4.18	1
6/8/10	-10.00	-0.93	-1.25	132	n/a	n/a	n/a	0
6/9/10	n/a	n/a	n/a	0	1.21	3.21	2.8	480
6/10/10	-2.90	1.21	0.90	1489	0.89	3.07	2.66	4139
6/11/10	-2.90	1.21	0.90	1960	-1.20	2.17	1.77	1972
6/14/10	-3.20	1.12	0.81	8906	-1.76	1.99	1.58	5597
6/15/10	-3.01	1.05	0.76	13547	-1.62	2.06	1.65	8200
6/16/10	-4.86	0.53	0.24	4408	-2.15	2.13	1.67	3469
6/17/10	-4.02	0.76	0.47	1994	-1.89	2.24	1.78	487

Source: CME Group.

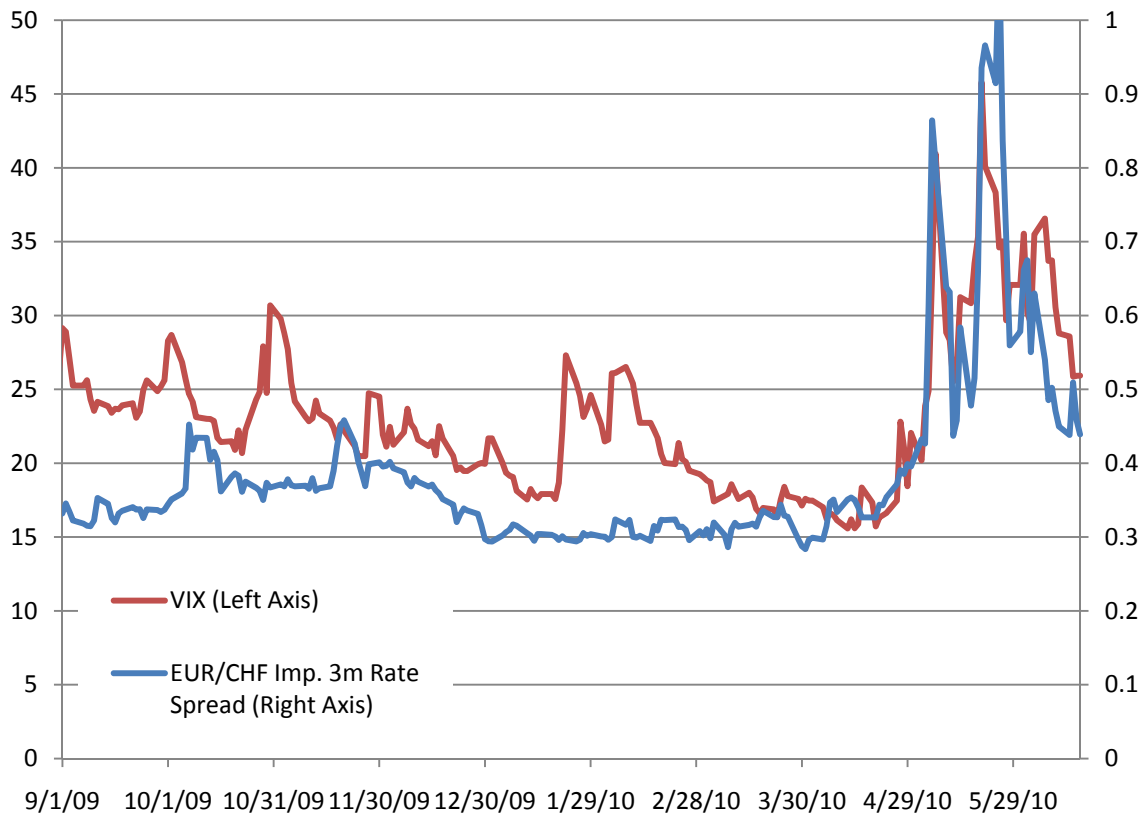
As open interest levels go, both the E-mini MSCI EAFE and E-mini Emerging Markets futures had significant open interest gains during the past quarter. The new lead month E-mini MSCI EAFE index futures emerged from the rollover with 34,041 contracts, up sequentially from 27,095 and 25,723 levels following the last two expirations. The E-mini MSCI Emerging Markets index futures open position emerged from the rollover with 24,839 contracts open in the new lead month, also higher than the 19,709 and 16,600 levels following the last two expirations.

Indeed, the spike in volatility in the stock market coincided with a “flight to quality” within Europe, where Swiss Franc gained vis-à-vis the Euro, to the point of showing a negative implied interest rate in Swiss Franc.

Exhibit 5 on the next page shows the implied interest rate spread between the Euro and the Swiss Franc based on the FX forwards. It widened considerably, showing the risk premium for the Euro vis-à-vis the Swiss Franc. For more on this phenomenon, see our paper, “A closer look at negative interest rates in Swiss Francs,” posted at www.cmegroup.com/sfpaper.

Exhibit 4

Implied 3-month rate spread between the Euro and Swiss Franc vs. VIX.



Source: CME Group.

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E-mini Dow (\$5) and Fed Fund futures contracts are listed with and subject to the rules and regulations of CBOT. All other futures contracts mentioned in this brochure are listed with and subject to the rules and regulations of CME.

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