

FX PRODUCTS

Dow Jones CME FX\$INDEX Futures

Hedgeable Dow Jones CME FX\$INDEX futures – Now Trading

Overview

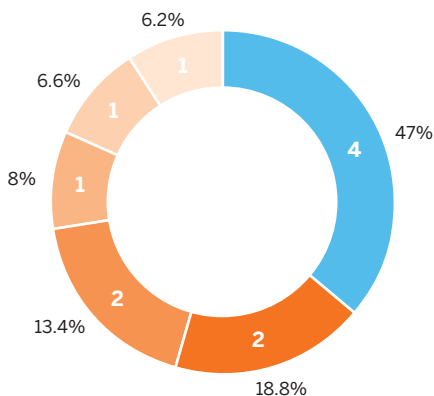
In recent years, other major foreign currencies have become the reserve currency of choice, but the U.S. dollar still remains the dominant currency for financial transactions. Thus, many market participants desire trading “baskets” of currencies vs. the U.S. dollar. Dollar index futures, at CME and elsewhere, have historically been based on factors such as competitiveness of U.S. goods on foreign markets. But for many market participants these contracts presented difficulties, as they needed to be hedged with odd numbers of futures contracts to balance or lay off risks.

The new Dow Jones CME FX\$INDEX futures are currency-weighted to reflect the economic realities as indicated by current Fed data. This ensures that institutional traders, hedgers and market participants trading these futures may more precisely and conveniently lay-off risk vs. a basket of very liquid CME FX futures contracts. Plus, when integrated into a complete portfolio of CME FX futures and options, this contract allows for even greater margin synergies with underlying products.

Weights

Specifically, 10 Dow Jones CME FX\$INDEX futures reflects a basket of 4 EuroFX, 2 Japanese yen, 2 British pound, 1 Swiss franc, 1 Canadian dollar and 1 Australian dollar futures contracts. The Dow Jones CME FX\$INDEX is calculated as the basket value divided by \$10,000. The numbers of contracts comprising the currency weights are fixed – they do not change.

DOW JONES CME FX\$INDEX PERCENT WEIGHTS FOR COMPONENT SIX FX FUTURES



10 DOW JONES CME FX\$INDEX FUTURES ARE EQUAL TO:

- 4 EuroFX futures
- 2 Japanese yen futures
- 2 British pound futures
- 1 Swiss franc futures
- 1 Canadian dollar futures
- 1 Australian dollar futures

Clearing fees waived through December 31, 2010

Benefits

- Precisely, conveniently lay off global FX market risk with a single index contract
- Access to over \$100 billion in daily FX liquidity
- The safety and security of CME Clearing – more than 100 years without a default
- Transparent market pricing
- Electronic access around the world, around the clock on CME Globex
- Manage your entire portfolio with CME FX Products – gain margin synergies with underlying products
- Component currency weights reflective of world trade
- All clearing fees will be waived through December 31, 2010

For more information on Dow Jones CME FX\$INDEX futures, please visit www.cmegroup.com/fxindex.

CALCULATION, WEIGHTING & DELIVERY OF THEORETICAL DOW JONES CME FX\$INDEX FUTURES

Component Futures Contract	(1) Contract Size	(2) Price	Contract \$ Value	(3) Fixed Number of Contracts	(1)x(2)x(3) = Weight (\$)	Weight (%)	Physical Delivery Illustration	
							Buyer's Payment	Seller's Payment
EUR/USD	125,000 euro	1.3595	\$169,938	4	\$679,750	47.0%	\$67,975.00	50,000 EUR
JPY/USD	12,500,000 yen	0.010901	\$136,263	2	\$272,525	18.8%	\$27,252.50	2,500,000 JPY
GBP/USD	62,500 British pounds	1.5463	\$96,644	2	\$193,288	13.4%	\$19,328.75	12,500 GBP
CHF/USD	125,000 Swiss francs	0.9283	\$116,038	1	\$116,038	8.0%	\$11,603.75	12,500 CHF
CAD/USD	100,000 Canadian dollars	0.9611	\$96,110	1	\$96,110	6.6%	\$9,611.00	10,000 CAD
AUD/USD	100,000 Australian dollars	0.8962	\$89,620	1	\$89,620	6.2%	\$8,962.00	10,000 AUD
Basket Value					\$1,447,330		\$144,733.00	

Dow Jones CME FX\$INDEX = Basket Value ÷ \$10,000 = \$1,447,330 ÷ \$10,000 = 144.7330

Physically delivered – “Hedgeable” Dow Jones CME FX\$INDEX futures are satisfied through the physical delivery of 50,000 Euros; 2,500,000 Japanese yen; 12,500 British pounds; 12,500 Swiss francs; 10,000 Canadian dollars; and, 10,000 Australian dollars. The final settlement price is based on settlements in the six component currency futures. This provides institutional traders, hedgers and market participants with a more precise hedge than with previous U.S. dollar-based indexes, by matching 10 Dow Jones CME FX\$INDEX futures vs. 4 EuroFX, 2 Japanese yen, 2 British pound, 1 Swiss franc, 1 Canadian dollar and 1 Australian dollar futures. Traders in “Hedgeable” Dow Jones CME FX\$INDEX futures benefit from the liquidity of current CME FX futures, in turn offering a tighter market for our customers.

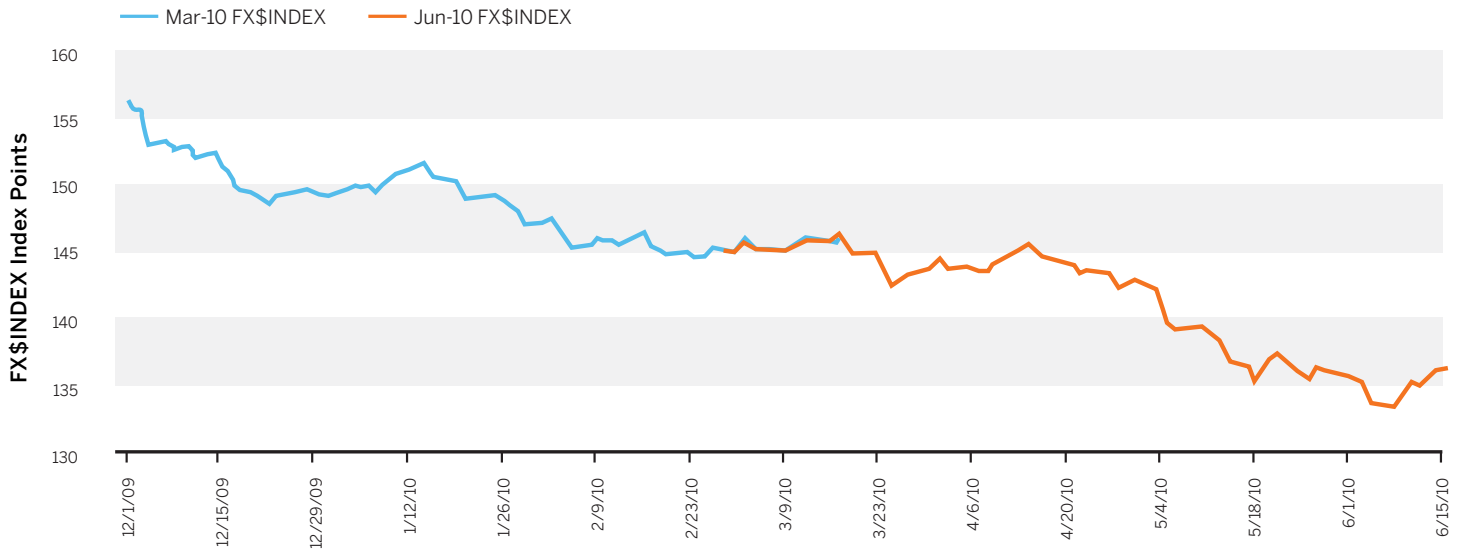
Inversely related to USD – The Dow Jones CME FX\$INDEX is quoted in U.S. dollars per foreign unit. Meaning, when the U.S. dollar strengthens against the basket of currencies, the Dow Jones CME FX\$INDEX goes down and when the dollar weakens against the basket of currencies, the Dow Jones CME FX\$INDEX goes up. Therefore, when the basket of currencies gains strength against the U.S. dollar, this Index goes up and when the basket of currencies loses value against the U.S. dollar, this Index goes down.

Reduced Performance Bond Margins and Netting at Delivery for Selected Portfolios – When trading Dow Jones CME FX\$INDEX futures, hedgers and arbitrageurs can benefit from the following CME Clearing services:

- **Reduced Performance Bond Margins for inter-commodity spreads of the following:** Long (short) 10 Dow Jones CME FX\$INDEX futures vs. short (long) basket of 4 EUR/USD futures, 2 GBP/USD futures, 2 JPY/USD futures, 1 CHF/USD futures, 1 CAD/USD futures and 1 AUD/USD futures contracts.
- Performance bonds for appropriate ratio inter-commodity spreads is approximately 1% for outright (inter-commodity spread credit vs. basket of futures = 99% vs. basket of futures).
- **Netting at physical delivery of currency flows for portfolios of the following:** Long (short) 10 Dow Jones CME FX\$INDEX futures and short (long) 4 regular EUR/USD futures, 2 GBP/USD futures, 2 JPY/USD futures, 1 CHF/USD futures, 1 CAD/USD futures and 1 AUD/USD futures. FX futures delivery netting is covered by FX delivery rules in Chapter 7 of the CME Rulebook.

With reduced performance bond margins for inter-commodity spreads and netting of offsetting currency flows at delivery, less collateral is needed up front for proper ratio portfolios of Dow Jones CME FX\$INDEX and regular FX futures. This allows hedging and arbitraging market participants to scale up with larger positions, which benefits liquidity for all market participants. In order to benefit from these services, clearing firms need to request inter-commodity spread performance bonds and netting of currency flows at delivery for the specified positions.

DOW JONES CME FX\$INDEX



A separate FX\$INDEX is calculated for each quarterly contract in the March, June, September and December cycle. This allows maximum alignment, and hedging and spreading abilities with the full suite of CME FX futures and options.

SYNTHETIC SPOT DOW JONES CME FX\$INDEX



By converting futures prices to spot prices, we can create a "synthetic spot" version of the index. While useful for calculating its relationship to spot market prices, Dow Jones CME FX\$INDEX contracts are ultimately settled using futures prices.

CONTRACT SPECIFICATIONS	
Contract Size	\$1,000 x Dow Jones CME FX\$INDEX, e.g., if Dow Jones CME FX\$INDEX = 144.73 then futures contract value = \$144,730 (= \$1,000 x 144.73)
Tick Size	0.01 index points (\$10.00) for outright; 0.005 index points (\$5.00) for calendar spreads.
Index Construction	Dow Jones CME FX\$INDEX = value of 4 Euro FX + 2 Japanese yen + 2 British pound + 1 Swiss franc + 1 Canadian dollar + 1 Australian dollar futures contracts; divided by \$10,000
Trade Ends At	9:16 am (CT) on 2nd business day preceding 3rd Wednesday of contract month
Physical Delivery	Physical delivery of 50,000 Euros; 2,500,000 Japanese yen; 12,500 British pounds; 12,500 Swiss francs; 10,000 Canadian dollars; and, 10,000 Australian dollars on the 3rd Wednesday. U.S. dollar delivery invoices based on final settlement of standard CME FX futures, with the exception of Canadian dollar where a special 9:16 value is utilized noting that Canadian dollar terminates a day later. Dow Jones CME FX\$INDEX futures final settlement is rounded to 4 decimal places.
Trading Hours	CME Globex: Sundays: 5:00 p.m. – 4:00 p.m. the next day. Monday – Friday: 5:00 p.m. – 4:00 p.m. the next day, except on Friday – closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.
Months	Six months in the March, June, September and December quarterly cycle
Position Accountability	Positions > 6,000 contracts net long or short, in all contract months combined must provide, in a timely fashion upon request by CME, information regarding the position
Maximum Price Fluctuation	No price limits. However, price banding* on CME Globex is in effect at ±0.60 for outright (60 ticks), ±0.05 for calendar spreads (5 ticks).
CME Globex No Bust Range	40 ticks
Ticker Symbol	CME Globex: FXD Bloomberg: FXDA CQG: FXD Thomson Reuters: FXD
Exchange Rules	CME

*For CME Globex trading, automated price banding prevents execution of orders at prices falling outside of the last sale, best bid or best offer and ± the price band. Price banding prevents the entry of limit orders more than a pre-determined amount above the last price in the case of bids and more than the same pre-determined amount below the last price in the case of offers. The band “shadows” the last foreign exchange futures price as it reacts to new transaction prices, higher bids and lower offers.

For more information on Dow Jones CME FX\$INDEX futures, please visit www.cmegroup.com/fxindex or contact the CME Group FX Team:

CHICAGO +1 312 930 3148

SINGAPORE +65 6593 5561

LONDON +44 20 7796 7122

TOKYO +81 3 5403 4829

CME GROUP HEADQUARTERS

20 South Wacker Drive
Chicago, Illinois 60606
cmegroup.com
info@cmegroup.com
800 331 3332
312 930 1000

CME GROUP REGIONAL OFFICES

New York	212 299 2000	London	+44 20 7796 7100	Singapore	+65 6593 5555
Calgary	403 444 6876	Houston	713 658 9292	São Paulo	+55 11 2565 5999
Tokyo	+81 3 5403 4828	Washington D.C.	202 638 3838		

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

CME Group is a trademark of CME Group Inc. The Globe Logo, CME and Chicago Mercantile Exchange are trademarks of Chicago Mercantile Exchange Inc. CBOT and the Chicago Board of Trade are trademarks of the Board of Trade of the City of Chicago, Inc. NYMEX is a registered trademark of the New York Mercantile Exchange, Inc. All other trademarks are the property of their respective owners.

The information within this brochure has been compiled by CME Group for general purposes only. CME Group assumes no responsibility for any errors or omissions. Additionally, all examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases concerning contract specifications.

The Dow Jones CME FX\$INDEX is a product of Dow Jones Indexes, a licensed trademark of CME Group Index Services LLC (“CME Indexes”). “Dow Jones” and “Dow Jones Indexes” are trademarks of Dow Jones Trademark Holdings LLC (“Dow Jones”) and have been licensed by CME Indexes. The Dow Jones CME FX\$INDEX futures are not sponsored, endorsed, marketed or promoted by Dow Jones, any of its affiliates or CME Indexes, and Dow Jones, its affiliates and CME Indexes make no representation regarding the advisability of trading in such contracts.