

# Eurodollar Options Electronic Market Maker Program Overview

**Products:** Eurodollar Options:  
1, 2, and 5 year Midcurves, Weeklies, TOMMI's, Eurodollar Calendar Spread Options

**Hours:** Extended and Regular Trading Hours (ETH and RTH)

## **BENEFITS**

- **Maximum Order Flow Allocations**

The top five market makers will receive order flow allocations.

- **Mass Quote Message**

All market makers will receive use of the Mass Quote Message function. *You must be participating in a market maker program to use the Mass Quote Message.*

- **Fee adjustments:** The top ten market makers will have their Globex fees waived. The next five will receive Globex fee discounts.

## **Obligations**

Market makers must use their best effort to respond to all Requests for Quotes (RFQs) regardless of contract, month, or strike(s).

Market makers will be awarded points if they respond to an RFQ within 60 seconds, and have a bid and ask in the market for at least five seconds over the next 60 seconds. If these two requirements are met, a time-weighted average will be taken of their bid/ask spreads and quantities. Points will be awarded based upon these values according to the ranking criteria noted below.

- Points will be tripled during Asia business hours between 5:00 p.m. and 1:00 a.m., Central Time.
- Points will be tripled for spread responses.
- RFQ points will be tripled during pre-determined high volatility periods noted below. (This will be modified further, beginning mid-third quarter.)
  - o Non-Farm Payroll Report
  - o CPI
  - o PPI
  - o FOMC Meetings

## **Beginning Mid-Third Quarter 2008**

- Points will be deducted for not responding to an RFQ. This deduction will be one point for each non-response. Market makers must have a bid/ask in the market for at least five seconds of a 60-second period to receive credit for a response.
- In addition to pre-determined high volatility periods, there will also be GCC-initiated high volatility periods where notice will be given to market makers alerting them to these market conditions.

- During the high volatility periods, market makers will be held to less stringent requirements in order to earn points. These requirements will result in more points given for responses as noted in the ranking criteria below.

### **RFQ Ranking Criteria**

Currently each of these criteria are exclusive, for example, you can receive quantity or response time points while not receiving bid/ask spread points. Beginning mid-third quarter, you must have a bid/ask spread of at least five bp in order to receive points in the other categories.

### **Products GE, GE0, GE2,GE5,TE0,SPO**

#### **Hard Quoting/On the Book:**

**3<sup>rd</sup> Quarter** - High Volatility 6 Points 3 bp/100 up  
2 points 1.5 bp/500 up  
1 point 2 bp/250 up

#### **Response Time:**

On book responses will receive a 0 second response time  
**3<sup>rd</sup> Quarter** - High Volatility 9 Points  $\leq 60$  seconds  
3 points 0-15 seconds  
2 points 16-30 seconds  
1point 31-60 seconds  
no points  $> 60$  seconds

#### **Bid/Ask Spread:**

**3<sup>rd</sup> Quarter** - High Volatility 9 Points  $\leq 3$  bp  
6 points .25 - .50 bp  
3 points .75 - 1.00 bp  
1 point 1.25 - 1.5 bp  
no points  $> 1.5$  ticks wide

#### **Quantity:**

**3<sup>rd</sup> Quarter** - High Volatility 9 Points  $\geq 100$   
6 Points  $\geq 5000$   
3 Points 1000 - 4999  
2 Points 500 - 999  
1 Point 250 - 499  
0 Points  $< 250$

#### **Time in Market:**

**3<sup>rd</sup> Quarter** - High Volatility 5 Points  $> 5$  Seconds  
2 Points  $> 30$  Seconds  
1 Point 15-30 seconds  
no points  $< 15$  Seconds

## High Volatility Periods

<b>Date</b>	<b>Report</b>	<b>Time</b>
July 3, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
July 15, 2008	PPI	7:20 AM - 8:00 AM
July 16, 2008	CPI	7:20 AM - 8:00 AM
August 1, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
August 5, 2008	FOMC Meeting	1:00 PM - 2:00 PM
August 14, 2008	CPI	7:20 AM - 8:00 AM
August 19, 2008	PPI	7:20 AM - 8:00 AM
September 5, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
September 12, 2008	PPI	7:20 AM - 8:00 AM
September 16, 2008	CPI	7:20 AM - 8:00 AM
September 16, 2008	FOMC Meeting	1:00 PM - 2:00 PM
October 3, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
October 15, 2008	CPI	7:20 AM - 8:00 AM
October 16, 2008	PPI	7:20 AM - 8:00 AM
October 29, 2008	FOMC Meeting	1:00 PM - 2:00 PM
November 7, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
November 18, 2008	PPI	7:20 AM - 8:00 AM
November 19, 2008	CPI	7:20 AM - 8:00 AM
December 5, 2008	Non-Farm Payroll	7:20 AM - 8:00 AM
December 12, 2008	PPI	7:20 AM - 8:00 AM
December 16, 2008	CPI	7:20 AM - 8:00 AM
December 16, 2008	FOMC Meeting	1:00 PM - 2:00 PM

For additional information on the Interest Option Market Maker programs, contact [David Reif](#), Associate Director, CME Group Interest Rate Products at 312- 648-3839.