

INTEREST RATE PRODUCTS

U.S. Treasury Futures and Options

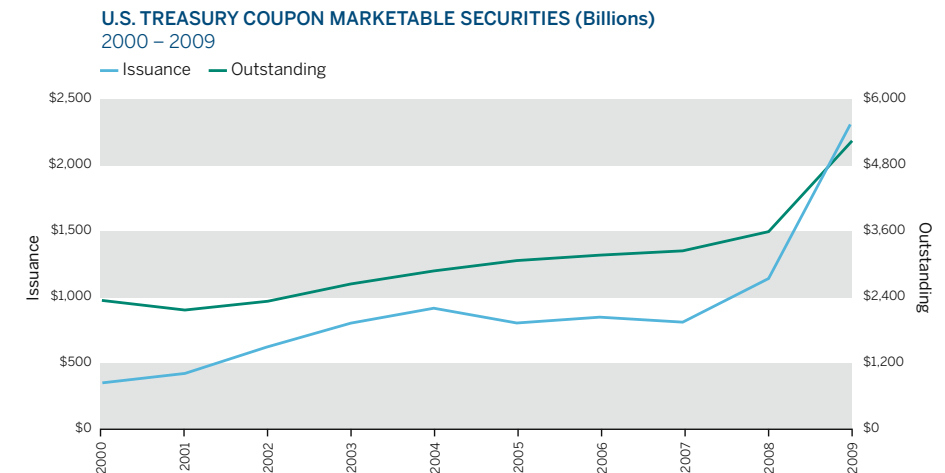
U.S. Treasury futures and options play an important role in the risk management strategies of global market participants.

Overview

U.S. Treasury futures and options provide a wide variety of market participants around the globe with the ability to adjust their interest rate exposure. Futures and options on Treasury Bonds and Notes are key tools for those who wish to manage their interest rate risk, as well as those who wish to take advantage of price volatility.

In 2010, Long-Term “Ultra” T-Bond futures and options were added to the Treasury complex. These new contracts will aid hedgers, speculators, and relative value investors who wish to manage the interest rate risks of longer duration market positions.

Among the most liquid products in the world, U.S. Treasury futures and options lend themselves to a variety of risk management and trading applications, including hedging, income enhancement, duration adjustments, interest rate speculation, and spread trades. The availability of U.S. Treasury futures and options on CME Globex further enhances the efficiency of trading these products, providing nearly 24-hour access for users around the world.



Source: U.S. Treasury Department

Block trading is available for U.S. Treasury futures and options. Visit www.cmegroup.com/blocks for more information, including minimum thresholds and reporting time requirements.

In addition, predefined, implied intercommodity spreads between the various Treasury futures contracts, and between Treasury futures and Interest Rate Swaps futures, are available on CME Globex. For more information, including current spread ratios, visit www.cmegroup.com/ics.

Market Participants

- Banks
- Pension Funds
- Bond Dealers
- Corporate Treasurers
- Hedge Funds
- Asset Managers
- Proprietary Traders
- Insurance Companies
- Mortgage Bankers

CONTRACT SPECIFICATIONS: 2-YEAR T-NOTE AND 3-YEAR T-NOTE

2-YEAR TREASURY NOTE FUTURES		3-YEAR TREASURY NOTE FUTURES	
Contract Size	One U.S. Treasury note having a face value at maturity of \$200,000		
Deliverable Grades	Original maturity of not more than 5 years and 3 months, and remaining maturity of not less than 1 year and 9 months from the first day of the delivery month, but not more than 2 years from the last day of the delivery month	Original maturity of not more than 5 years and 3 months, and a remaining maturity of not less than 2 years and 9 months from the first day of the delivery month, but not more than 3 years from the last day of the delivery month	
Price Quote	Points (\$2,000) and quarters of 1/32 of a point. For example, 108-16 represents 108 16/32, 108-162 represents 108 16.25/32, 108-165 represents 108 16.5/32, and 108-167 represents 108 16.75/32.		
Tick Size	The minimum price fluctuation shall be 1/4 of 1/32 (\$15.625 rounded up to the nearest cent per contract). Par shall be on the basis of 100 points.		
Contract Months	The first five consecutive contracts in the March, June, September, and December quarterly cycle		
Last Trading Day	The last business day of the contract expiry month		
Last Delivery Day	Third business day following the last trading day		
Delivery Method	Federal Reserve book-entry wire-transfer system		
Trading Hours	<p>Open Outcry: 7:20 a.m. – 2:00 p.m. Central Time (CT), Monday – Friday</p> <p>CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday</p> <p>Trading in expiring contracts closes at 12:01 p.m. CT on the last trading day.</p>		
Ticker Symbols	<p>Open Outcry: TU</p> <p>CME Globex: ZT</p>	<p>Open Outcry: 3YR</p> <p>CME Globex: Z3N</p>	

2-YEAR TREASURY NOTE OPTIONS	
Contract Size	One 2-Year Treasury note futures contract of a specified delivery month
Tick Size	One-half of 1/64 of a point (\$15.625 rounded up to the nearest cent per contract)
Strike Price Interval	Strike prices will be listed in increments of one-quarter of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price plus the next ten consecutive higher and the next ten consecutive lower strike prices.
Contract Months	The first three consecutive contract months (two serial expirations and one quarterly expiration) plus the next four months in the March, June, September, and December quarterly cycle. Serials will exercise into the first nearby quarterly futures contract. Quarterlies will exercise into futures contracts of the same delivery period.
Last Trading Day	Options cease trading on the last Friday, which precedes by at least two business days, the last business day of the month preceding the option month
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Options that expire in-the-money are automatically exercised into a position, unless specific instructions are given to CME Clearing.
Expiration	Unexercised options shall expire at 7:00 p.m. CT on the last day of trading
Trading Hours	<p>Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday – Friday</p> <p>CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday</p> <p>Trading in expiring options ceases at the close of the regular CME Globex trading session for the corresponding 2-Year Treasury Note futures contracts.</p>
Ticker Symbols	<p>Open Outcry: TUC for calls, TUP for puts</p> <p>CME Globex: OZT</p>

CONTRACT SPECIFICATIONS: 5-YEAR T-NOTE AND 10-YEAR T-NOTE

5-YEAR TREASURY NOTE FUTURES		10-YEAR TREASURY NOTE FUTURES	
Contract Size	One U.S. Treasury note having a face value at maturity of \$100,000		
Deliverable Grades	Original maturity of not more than 5 years and 3 months and a remaining maturity of not less than 4 years and 2 months as of the first day of the delivery month	Original maturity of not more than 10 years and a remaining maturity of not less than 6 years 6 months from the first day of the delivery month	
Price Quote	Points (\$1,000) and quarters of 1/32 of a point. For example, 116-16 represents 116 16/32, 116-162 represents 116 16.25/32, 116-165 represents 116 16.5/32 and 116-167 represents 116 16.75/32.	Points (\$1,000) and halves of 1/32 of a point. For example, 118-16 represents 118 16/32, and 118-165 represents 118 16.5/32.	
Tick Size	The minimum price fluctuation shall be one-quarter of one thirty-second (1/32) of one point (\$7.8125 rounded up to the nearest cent per contract) including intermonth spreads. Par shall be on the basis of 100 points.	The minimum price fluctuation shall be one-half of one thirty-second (1/32) of one point (\$15.625 rounded up to the nearest cent per contract) except for intermonth spreads, where the minimum price fluctuation shall be one-quarter of one thirty-second of one point (\$7.8125 rounded up to the nearest cent per contract). Par shall be on the basis of 100 points.	
Contract Months	The first five consecutive contracts in the March, June, September, and December quarterly cycle		
Last Trading Day	The last business day of the contract expiry month	Seventh business day preceding the last business day of the delivery month	
Last Delivery Day	Third business day following the last trading day	Last business day of the delivery month	
Delivery Method	Federal Reserve book-entry wire-transfer system		
Trading Hours	<p>Open Outcry: 7:20 a.m. – 2:00 p.m. Central Time (CT), Monday – Friday</p> <p>CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday</p> <p>Trading in expiring contracts closes at 12:01 p.m. CT on the last trading day.</p>		
Ticker Symbols	Open Outcry: FV CME Globex: ZF	Open Outcry: TY CME Globex: ZN	

5-YEAR TREASURY NOTE OPTIONS		10-YEAR TREASURY NOTE OPTIONS	
Contract Size	One 5-Year Treasury note futures contract of a specified delivery month	One 10-Year Treasury bond futures contract of a specified delivery month	
Tick Size	One-half of 1/64 of a point (\$7.8125 rounded up to the nearest cent per contract)	1/64 of a point (\$15.625 rounded up to the nearest cent per contract)	
Strike Price Interval	Strike prices will be listed in increments of one-half of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price plus the next fifteen consecutive higher and the next fifteen consecutive lower strike prices.	Strike prices will be listed in increments of one-half of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price plus the next fifty consecutive higher and the next fifty consecutive lower strike prices.	
Contract Months	The first three consecutive contract months (two serial expirations and one quarterly expiration) plus the next four months in the March, June, September, and December quarterly cycle. Serials will exercise into the first nearby quarterly futures contract. Quarterlies will exercise into futures contracts of the same delivery period.		
Last Trading Day	Options cease trading on the last Friday, which precedes by at least two business days, the last business day of the month preceding the option month		
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Options that expire in-the-money are automatically exercised into a position, unless specific instructions are given to CME Clearing.		
Expiration	Unexercised options shall expire at 7:00 p.m. CT on the last day of trading		
Trading Hours	<p>Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday – Friday</p> <p>CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday</p> <p>Trading in expiring options ceases at the close of the regular CME Globex trading session for the corresponding Treasury Note futures contracts.</p>		
Ticker Symbols	Open Outcry: FL for calls, FP for puts CME Globex: OZF	Open Outcry: TC for calls, TP for puts CME Globex: OZN	

CONTRACT SPECIFICATIONS: T-BOND AND ULTRA T-BOND

TREASURY BOND FUTURES		ULTRA TREASURY BOND FUTURES
Contract Size	One U.S. Treasury bond having a face value at maturity of \$100,000	
Deliverable Grades	If callable, is not callable for at least 15 years from the first day of the delivery month or, if not callable, has a maturity of at least 15 years from the first day of the delivery month. Note: Beginning with the March 2011 expiry, the deliverable grade for T-Bond futures will be bonds with remaining maturity of at least 15 years, but less than 25 years, from the first day of the delivery month.	Remaining maturity of not less than 25 years from the first day of the delivery month
Price Quote	Points (\$1,000) and 1/32 of a point. For example, 84-16 represents 84 16/32	
Tick Size	The minimum price fluctuation shall be one thirty-second (1/32) of one point (\$31.25) except for intermonth spreads, where the minimum price fluctuation shall be one-quarter of one thirty-second point of one point (\$7.8125 per contract). Par shall be on the basis of 100 points.	
Contract Months	The first five consecutive contracts in the March, June, September, and December quarterly cycle	
Last Trading Day	Seventh business day preceding the last business day of the delivery month	
Last Delivery Day	Last business day of the delivery month	
Delivery Method	Federal Reserve book-entry wire-transfer system	
Trading Hours	Open Outcry: 7:20 a.m. – 2:00 p.m. Central Time (CT), Monday – Friday CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday Trading in expiring contracts closes at 12:01 p.m. CT on the last trading day.	
Ticker Symbols	Open Outcry: US CME Globex: ZB	Open Outcry: UL CME Globex: UB

T-BOND OPTIONS		ULTRA T-BOND OPTIONS
Contract Size	One Treasury bond futures contract of a specified delivery month	One Ultra Treasury bond futures contract of a specified delivery month
Tick Size	1/64 of a point (\$15.625 rounded up to the nearest cent per contract)	
Strike Price Interval	Strike prices will be listed in increments of one point. The minimum strike price range will include the at-the-money strike price closest to the current futures price, plus the next 30 consecutive higher and the next 30 consecutive lower strike prices.	
Contract Months	The first three consecutive contract months (two serial expirations and one quarterly expiration) plus the next four months in the March, June, September, and December quarterly cycle. Serials will exercise into the first nearby quarterly futures contract. Quarterlies will exercise into futures contracts of the same delivery period.	
Last Trading Day	Options cease trading on the last Friday, which precedes by at least two business days, the last business day of the month preceding the option month	
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Options that expire in-the-money are automatically exercised into a position, unless specific instructions are given to CME Clearing.	
Expiration	Unexercised options shall expire at 7:00 p.m. CT on the last day of trading	
Trading Hours	Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday – Friday CME Globex: 5:30 p.m. – 4:00 p.m. CT, Sunday – Friday Trading in expiring T-Bond and Ultra T-Bond options ceases at the close of the regular CME Globex trading session for the corresponding futures contracts.	
Ticker Symbols	Open Outcry: CG for calls, PG for puts CME Globex: OZB	Open Outcry: OUL CME Globex: OUB

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