

INTEREST RATE PRODUCTS

3-Month Overnight Index Swap (OIS) Futures and Options

Efficient new contracts that complement 30-Day Fed Funds and Eurodollar contracts.

Similar to 30-Day Fed Fund contracts, 3-Month Overnight Index Swap (OIS) futures and options track the overnight effective Federal Funds rate, a major benchmark of the U.S. short-term interest rate market. The difference is that while the Fed Funds contracts track to the *average* effective Fed Funds rate over the course of a calendar month, the 3-Month OIS contracts track the compounded Fed Funds rate over a 3-month period.

This makes them effective tools for hedging longer-term OIS exposure and views on FOMC policy. Start dates for the 3-Month OIS futures coincide with IMM expiration dates, providing an efficient way to trade the spread between 3-month LIBOR and 3-month overnight rates (see example). 3-Month OIS options on futures expand your ability to construct sophisticated trading strategies that can isolate opportunities with pinpoint accuracy.

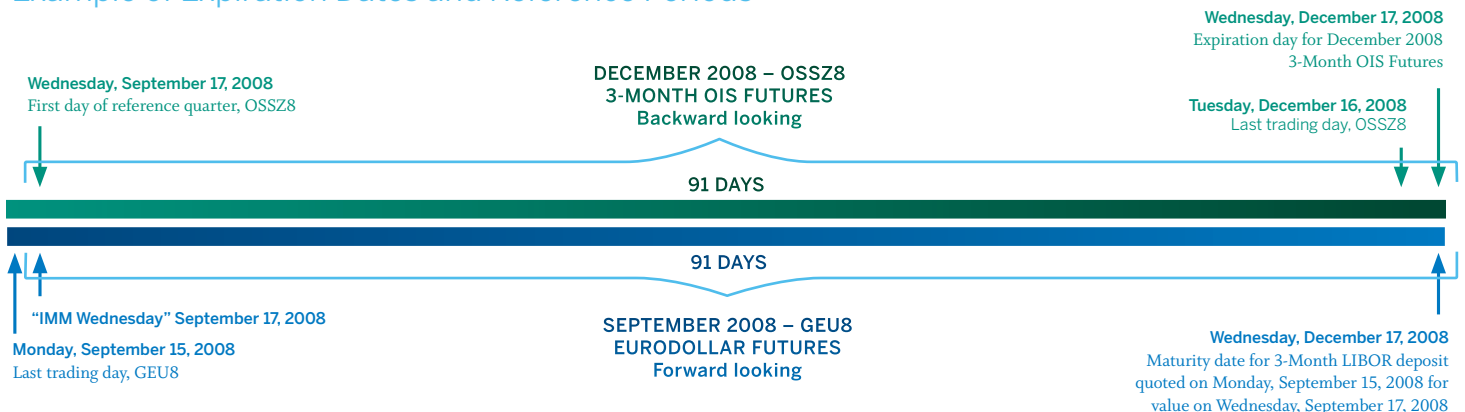
3-Month OIS futures and options offer:

- Effective ways to hedge for longer-term OIS exposure
- Tools for expressing strategic views on future Fed policy actions
- Direct, efficient ways to trade the spread between 3-month LIBOR and 3-month overnight Fed Fund rates

About the contracts:

- Calendar spreads, packs and bundles, and listed spreads between 3-Month OIS and Eurodollar futures are available
- 3-Month OIS futures and options trade side-by-side on CME Globex and open outcry

Trading Identical Reference Periods – 3-Month OIS Futures and Eurodollar Futures: Example of Expiration Dates and Reference Periods



3-MONTH OIS FUTURES CONTRACT SPECIFICATIONS

FUTURES	
Contract Size	\$1,000,000
Reference Quarter	First Day: Third Wednesday of the month that is three whole months before the contract's named expiry month Last Day: The day immediately preceding the day that follows the First Day by three calendar months
Price Quote	100 minus R where R is the realized interest rate during the Reference Quarter, with daily compounding of the effective overnight Federal Funds rate: $R = [\prod_{i=1}^D [1 + (d_i/360) * (r_i/100)] - 1] \times (360/D) \times 100$ one-quarter of one basis point (bp) (0.0025) All other expiries: USD 12.5 per one-half of one bp (0.005)
Tick Size	Contracts with four months or less to expiry: USD 6.25 per one-quarter (¼) of one basis point (bp) (0.0025). All other expiries: USD 12.5 per one-half (½) of one bp (0.005)
Listed Expiry Months	First eight months in the March quarterly cycle (i.e., White and Red expiry years)
Last Trading Day	Last Day of Reference Quarter. Trading in expiring contracts ceases at 4:00 p.m. Central Time (CT) on Last Trading Day
Final Settlement	Cash settlement on the first business day following the Last Day of Reference Quarter. Final settlement price is rounded to the nearest one-tenth (1/10) of one bp
Trading Hours	Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday – Friday CME Globex Electronic Markets: 5:00 p.m. – 4:00 p.m. CT, Sunday – Friday
Ticker Symbols	Open Outcry: OSP CME Globex: OSS
Position Accountability	10,000 contracts on futures-equivalent basis
Reportable Limits	25 futures contracts

3-MONTH OIS OPTIONS CONTRACT SPECIFICATIONS

OPTIONS	
Contract Size	One (1) 3-Month Overnight Index Swap (OIS) futures contract of a specified delivery month
Tick Size	Nearby quarterly (when underlying futures trades in quarter ticks): One-quarter (¼) of one bp (0.0025), or \$6.25 per contract All others: One-half (½) of one bp (0.005), or \$12.50 per contract First two serials and quarterlies: One-quarter (¼) of one bp (0.0025), or \$6.25 per contract, provided that the total premium of the outright or spread combination is five bps or less. Hedging rules apply
Listed Expiry Months	Two serial expiries plus four consecutive expiries in the March, June, September, and December quarter cycle
Last Trading Day	The Friday before the third Wednesday of the option contract month. Trading in expiring contracts ceases at 4:00 p.m. CT on the last trade date. If such Friday is not a business day, the last day of trading shall be the business day prior to such Friday
Strike Prices	Strike prices will be listed in intervals of 12.5 and 25 bps to bracket the underlying futures price
Exercise	Options are American-style and can be exercised on any business day up to and including the expiration day. Serial options exercise into the underlying futures contract that expires either four or five months after the corresponding option contract. Quarterly options exercise into the underlying futures contract that expires three months after the corresponding option contract. For example: October, November, and December options exercise into March futures; January, February and March options exercise into June futures; and so on
Expiration	Unexercised options shall expire at 7:00 p.m. CT on the last trade date. In-the-money options that have not been exercised shall be automatically exercised following expiration in the absence of contrary instructions
Trading Hours	Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday – Friday CME Globex Electronic Markets: 5:00 p.m. – 4:00 p.m. CT, Sunday – Friday
Ticker Symbols	Open Outcry: OSP CME Globex: OSS
Position Accountability	10,000 contracts on futures-equivalent basis
Reportable Limits	50 options contracts

3-MONTH OIS FUTURES REFERENCE QUARTERS LAST TRADING DAYS AND EXPIRY EXAMPLES

Futures Expiration Month	1 First Day of Reference Quarter (IMM Wed, Three Whole Months before Expiry Month)	2 Last Trading Day: Last Day of Reference Quarter	3 Last Trading Day: Day of Week	4 Expiry Day: Last Day of Reference Quarter plus one (Column (1) plus Three Calendar Months)	5 Expiry Day: Day of Week	Length of Reference Quarter (Days)
Dec-08	17 September 2008	16 December 2008	Tue	17 December 2008	Wed	91
Mar-09	17 December 2008	16 March 2009	Mon	17 March 2009	Tue	90
Jun-09	18 March 2009	17 June 2009	Wed	18 June 2009	Thur	92
Sep-09	17 June 2009	16 September 2009	Wed	17 September 2009	Thur	92
Dec-09	16 September 2009	15 December 2009	Tue	16 December 2009	Wed	91
Mar-10	16 December 2009	15 March 2010	Mon	16 March 2010	Tue	90
Jun-10	17 March 2010	16 June 2010	Wed	17 June 2010	Thur	92
Sep-10	16 June 2010	15 September 2010	Wed	16 September 2010	Thur	92
Dec-10	15 September 2010	14 December 2010	Tue	15 December 2010	Wed	91
Mar-11	15 December 2010	14 March 2011	Mon	15 March 2011	Tue	90
Jun-11	16 March 2011	15 June 2011	Wed	16 June 2011	Thur	92
Sep-11	15 June 2011	14 September 2011	Wed	15 September 2011	Thur	92
Dec-11	21 September 2011	20 December 2011	Tue	21 December 2011	Wed	91
Mar-12	21 December 2011	20 March 2012	Tue	21 March 2012	Wed	91
Jun-12	21 March 2012	20 June 2012	Wed	21 June 2012	Thur	92
Sep-12	20 June 2012	19 September 2012	Wed	20 September 2012	Thur	92
Dec-12	19 September 2012	18 December 2012	Tue	19 December 2012	Wed	91

For more information, visit www.cmegroup.com/ois.



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