



Special Executive Report

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CME AMENDED STRIKE PRICE RULES FOR OPTIONS ON SWISS FRANC FUTURES, EFFECTIVE IMMEDIATELY

CME amended CME Rule **254A02 – LISTING OF EXERCISE PRICES** to list put and call options on the Swiss franc futures contracts at the next 24 higher and next 24 lower regular exercise prices based on the previous day's settlement price. This rule amendment brings the CME Rulebook in line with current CME operational procedures.

Inadvertently, when CME changed the standard strike interval from 0.01 U.S. dollars per Swiss franc (full-strike) to 0.005 U.S. dollars per Swiss franc (half-strike), operationally, it also began listing strike prices for new option contract months at ± 24 half-strikes (.005) from the previous day's settlement price to maintain the same strike price listed range as when listing strikes at ± 12 under the former 0.01 USD per Swiss franc strike price interval. However, the CME Rulebook was not altered for this change in operational procedures. Effective immediately, the rule amendment brings the CME Rulebook in line with the current operational procedure of listing twenty-four half-strike intervals of 0.005 up and down from the strike price closest to the previous day's settlement price. Amendments to CME Rule 254A02 follow with additions underlined and deletions bracketed and lined out.

Chapter 254A. Options on Swiss Franc Futures

[No changes Rules 254A00 through 254A01]

Rule 254A01. OPTION CHARACTERISTICS

[No changes to sections A through K, which is provided for reference purposes only.]

254A01.K. Exercise Prices

Regular exercise prices shall be stated in terms of U.S. dollars per Swiss franc in intervals of \$.005, e.g., \$.455, \$.460, \$.465, etc.

Rule 254A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Swiss franc futures, the Exchange shall list put and call options at the next ~~[twelve]~~ twenty-four higher and next ~~[twelve]~~ twenty-four lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the ~~[twelfth]~~ twenty-fourth highest or ~~[twelfth]~~ twenty-fourth lowest existing regular exercise prices for options on Swiss franc futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[No changes to sections 2 & 3.]

If you have any questions, please contact either Craig LeVeille, Director, FX Products, 312-454-5308, Craig.LeVeille@cmegroup.com, or Steve Youngren, Associate Director, Research, 312-930-4583, Steve.Youngren@cmegroup.com.