



Special Executive Report

DATE: December 22, 2010

SER#: 5542

SUBJECT: Trading at Settlement – Gold, Silver, Copper Futures and Intra-Commodity Spreads

Please be advised that effective Sunday, January 23, 2011 for trade date Monday, January 24, 2011, the Commodity Exchange, Inc. (COMEX or Exchange) will expand Trading at Settlement (TAS) to the second active month for each of Gold Futures and Silver Futures on CME Globex and the COMEX trading floor. In addition, COMEX will offer TAS in the first and second active months for Copper Futures on CME Globex only. The Exchange will also implement intra-commodity calendar spreads between the first two active months in these contracts.

TAS on Gold, Silver and Copper Futures

Effective trade date January 24, 2011, on any given date TAS transactions will be allowed in the first two active contract months in Gold, Silver and Copper futures trading on CME Globex and in the first two active contract months in pit-traded Gold and Silver futures. TAS transactions are not allowed in any pit-traded Copper futures contract month.

In Gold futures, the active contract months are February, April, June, August and December. In Silver and Copper futures, the active contract months are March, May, July, September and December.

For purposes of determining the active contract months in Gold futures, the following applies:

- When the April contract becomes spot, the June and August contracts become the first two active TAS months.
- When the June contract becomes spot, the August and December contracts become the first two active TAS months.
- When the August contract becomes spot, the December and February contracts become the first two active TAS months.
- When the December contract becomes spot, the February and April contract months become the first two active TAS months.

For purposes of determining the active contract months in Silver and Copper futures, the following applies:

- When the March contract becomes spot, the May and July contracts become the first two active TAS months.
- When the May contract becomes spot, the July and September contracts become the first two active TAS months.
- When the July contract becomes spot, the September and December contract months become the first two active TAS months.
- When the September contract becomes spot, the December and March contracts become the first two active TAS months.
- When the December contract becomes spot, the March and May contract months become the first two active TAS months.

TAS Calendar Spreads

Effective trade date January 24, 2011, intra-commodity calendar spreads in the first two active months in Gold and Silver futures may be executed on CME Globex or on the trading floor and priced at TAS.

Effective trade date January 24, 2011, intra-commodity calendar spreads in the first two active months in Copper futures may be executed on CME Globex and priced at TAS.

The pricing of the legs of a TAS calendar spread will be calculated as follows:

- The nearby leg of the spread will always be priced at the settlement price determined by the Exchange for that contract month.
- The far leg of the spread will be priced at the settlement price determined by the Exchange for that contract **minus** the allowable TAS price increment traded (negative 10 through positive 10), except in circumstances where the traded TAS price is the actual settlement price of the contract.

Should you have any questions, please contact Patricia Cauley at 212-299-2346.