



Special Executive Report

S- 5923R

November 14, 2011

CME Group Announces New Effective Date for Changes to Strike Prices of Standard Options on 2-Year and 5-Year U.S. Treasury Note Futures

(Please note that S-5923, which was originally issued on October 6, 2011, indicated that the Exchange intended to implement the below changes effective trade date Monday, November 7, 2011. Because of technical difficulties related to the implementation of these changes, however, launch was postponed until these issues were resolved.

Effective trade date **Monday, December 5, 2011**, the following changes to the strike price increments and strike price bands of standard options on Chicago Board of Trade ("CBOT") 2-Year and 5-Year U.S. Treasury Note futures will be implemented. Please note that these standard options include quarterly, serial, and weekly options. These changes will go into effect ***beginning with the options on March 2012 futures and thereafter:***

- **2-Year Note options:** Reduce strike price increments from 1/4 to 1/8 of one price point.
- **5-Year Note options:** Reduce strike price increments from 1/2 to 1/4 of one price point.
- **2-Year Note and 5-Year Note options:** Redefine initial strike price arrays to comprise the at-the-money ("ATM") strike plus 30 strikes above the ATM and 30 strikes below the ATM (versus the current ATM plus 15 strikes above and 15 strikes below).

Attachment 1 summarizes rulebook amendments that apply to standard options on 2-Year and 5-Year Treasury Note futures.

These contracts are listed by and subject to the rules of CBOT.

Please refer questions about this notice to:

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Attachment 1

Changes to Exercise Prices of Standard Options on 2-Year and 5-Year U.S. Treasury Note Futures

Standard Options on Medium-Term (“5-Year”) U.S. Treasury Note Futures

20A01.E. Exercise Prices

Trading shall be conducted for put and call options with striking prices in integral multiples of one-quarter (1/4) ~~half (1/2)~~ point per Medium-Term U.S. Treasury Note futures contract as follows:

At the commencement of trading for such option contracts, the following striking prices shall be listed: one with a striking price closest to the Medium-Term U.S. Treasury Note futures contract's previous day's settlement price and the next ~~thirty fifteen~~ consecutive higher and the next ~~thirty fifteen~~ consecutive lower striking prices closest to the previous day's settlement price. If the previous day's settlement price is midway between two striking prices, the closest price shall be the larger of the two. Over time, new striking prices will be added to ensure that at least ~~thirty fifteen~~ striking prices always exist above and below the previous day's settlement price on the underlying futures. All new striking prices will be added prior to the opening of trading on the following business day.

The Exchange may modify the procedure for the introduction of striking prices as it deems appropriate in order to respond to market conditions.

Standard Options on Short-Term (“2-Year”) U.S. Treasury Note Futures

21A01.E. Exercise Prices

Trading shall be conducted for put and call options with striking prices in integral multiples of one-eighth (1/8) ~~quarter (1/4)~~ point per Short-Term U.S. Treasury Note futures contract as follows:

At the commencement of trading for such option contracts, the following striking prices shall be listed: one with a striking price closest to the Short-Term U.S. Treasury Note futures contract's previous day's settlement price and the next ~~thirty fifteen~~ consecutive higher and the next ~~thirty fifteen~~ consecutive lower striking prices closest to the previous day's settlement price. If the previous day's settlement price is midway between two striking prices, the closest price shall be the larger of the two. Over time, new striking prices will be added to ensure that at least ~~thirty fifteen~~ striking prices always exist above and below the previous day's settlement price on the underlying futures. All new striking prices will be added prior to the opening of trading on the following business day.

The Exchange may modify the procedure for the introduction of striking prices as it deems appropriate in order to respond to market conditions.