



Special Executive Report

S-6505

December 19, 2012

Launch Date for New Standard-Sized and E-Micro Indian Rupee/U.S. Dollar (“INR/USD”) Futures

Effective **Monday, January 28, 2013**, the Chicago Mercantile Exchange, Inc. (“CME” or “Exchange”) is launching new Standard-Sized and E-Micro Indian Rupee/U.S. Dollar (“INR/USD”) futures contracts on CME Globex[®] and CME ClearPort[®].

Attachment 1 summarizes the terms and conditions for this new suite of INR/USD futures contracts. The standard-sized INR/USD futures contract will have a notional size of INR 5 million. The e-micro version will have a notional size of INR 1 million. Both futures will be U.S. dollar denominated and will thus feature daily pays and collects calculated and banked in U.S. dollars. Both contracts will trade in minimum tick sizes of \$0.000001 per Indian rupee for outright transactions and in minimum tick sizes of \$0.0000005 per Indian rupee for calendar spreads. Both futures will be available for trading on Globex Sunday through Friday between 5:00 p.m. and 4:00 p.m., Central time (“CT”). The standard contract will have an expiry schedule that covers two years (*i.e.*, 12 consecutive calendar months plus four expiries in the March quarterly cycle), while the e-micro contract will have an expiry schedule consisting of 12 consecutive calendar months. Both futures will cease trading at 12:00 noon Mumbai time two Indian business days immediately preceding the last Indian business day of the contract month. Both contracts will be cash settled on the last trading day following expiry based on the reciprocal of the spot exchange rate of the Indian rupee per U.S. dollar as calculated and published by the Reserve Bank of India (“RBI”), rounded to seven decimal places. Both futures will have a spot month position limit of 20,000 contracts, a position accountability level of 6,000 contracts, and a reportable level of 25 contracts. With the consent of the account controller, a clearing member may offset and liquidate five long E-micro INR/USD futures positions against one short standard-sized INR/USD futures position, or five short E-micro INR/USD futures positions against one long standard-sized INR/USD futures position.

Attachments 2 and 3 set forth CME rulebook chapters for Standard-Sized and E-Micro INR/USD futures, respectively.

For more information on INR/USD futures, please visit: www.cmegroup.com/inr.

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Attachment 1

New Standard-Size and E-Micro INR/USD Futures	
Contract Sizes	<p><u>Standard</u>: INR 5,000,000 INR</p> <p><u>E-micro</u>: INR 1,000,000</p>
Tick Size	<p><u>Standard</u>: \$0.000001 per INR increments (\$5.00/tick). Also, trades can occur in \$0.0000005 per INR increments (\$2.50/contract) for INR futures intra-currency spreads executed on CME Globex®.</p> <p><u>E-micro</u>: \$0.000001 per INR increments (\$1.00/tick). Also, trades can occur in \$0.0000005 per INR increments (\$0.50 /contract) for INR futures intra-currency spreads executed on CME Globex®.</p>
USD-Denominated	Daily pays and collects calculated and banked in U.S. dollars.
CME Globex® Trading Hours	<u>Sundays through Fridays</u> : 5:00 p.m. - 4:00 p.m., Central time, the next day. On Friday CME Globex® platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.
Months	<p><u>Standard</u>: 12 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec) plus 4 March quarterly months (2-year maturity range).</p> <p><u>E-micro</u>: 12 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec).</p>
Last Trading Day	Trading ceases at 12:00 noon Mumbai time two Indian business days immediately preceding the last Indian business day of contract month.
NDF-Style Cash Settlement	Final settlement price is based on the reciprocal of the Reserve Bank of India's ("RBI") spot exchange rate of Indian rupee per U.S. dollar as calculated and published by RBI, and rounded to seven decimal places. The RBI spot exchange rate is published usually between 12:15 and 12:30 p.m. Mumbai Time (between 12:45 and 1:00 a.m. Central time in the winter and between 1:45 and 2:00 a.m. Central time in the summer). This same rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for the Indian rupee versus the U.S. dollar. Reuters quotes this rate on page RBIB. All open positions at the termination of trading will be cash settled to the reciprocal of this rate when it is available.
Position Limits / Position Accountability	INR futures converted to notional equivalents of 6,000 CME full-sized INR futures contracts (=600 million USD) for Position Accountability trigger level; and no more than 20,000 full-sized INR futures contracts (=2 billion USD) for Position Limit in the spot month on or after the day one week prior to the termination of trading day. Positions for the same account holder will be aggregated across standard-sized and E-micros futures with 5 E-micros equaling 1 standard-sized contract.
CME Globex Codes	<p><u>Standard</u>: SIR</p> <p><u>E-micro</u>: MIR</p>

Attachment 2

**Chapter XXXL
Indian Rupee/U.S. Dollar (INR/USD) Futures**

XXXL00. SCOPE OF CHAPTER

This chapter is limited in application to Indian rupee/U.S. dollar futures. In addition to this chapter, Indian rupee/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

XXXL01. TRADING SPECIFICATIONS

XXXL01.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Exchange.

XXXL01.B. Trading Unit

The unit of trading shall be 5,000,000 Indian rupees.

XXXL01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 U.S. dollars per Indian rupee, equivalent to 5 Indian rupees per contract. Trades may also occur in multiples of 0.0000005 U.S. dollars per Indian rupee (equivalent to 2.50 Indian rupees per contract), commonly referred to as a one-half tick, for Indian rupee/U.S. dollar futures intra-currency spreads executed as simultaneous transactions on GLOBEX® pursuant to Rule 542.F.

XXXL01.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

XXXL01.E. [Reserved]

XXXL01.F. [Reserved]

XXXL01.G. Termination of Trading

Futures trading shall terminate at 12:00 noon Mumbai time (12:30 a.m. Central Time in the winter and 1:30 a.m. Central Time in the summer)¹ two Indian business days immediately preceding the last Indian business day of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Exchange and Indian business day.

XXXL01.H. [Reserved]

¹ Mumbai time is 11.5 hours ahead of Chicago (Central time) in the winter and 10.5 hours ahead of Chicago in the summer. India does not observe Daylight Saving Time.

Attachment 2 (continued)

XXXL02. SETTLEMENT PROCEDURES

XXXL02.A. [Reserved]

XXXL02.B. Cash Settlement

The Final Settlement Price shall be equal to the reciprocal of "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 1:00 a.m. Central Time in the winter and 2:00 a.m. Central Time in the summer). This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. The Final Settlement Price shall be rounded to seven (7) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, a RBI INR/USD rate of 0.0184496 U.S. dollars per Indian rupee becomes the Final Settlement Price.

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.

XXXL03. [RESERVED]

(End Chapter XXXL)

Attachment 3

**Chapter XXXM
E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures**

XXXM00. SCOPE OF CHAPTER

This chapter is limited in application to E-micro Indian rupee/U.S. dollar futures. In addition to this chapter, E-micro Indian rupee/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

XXXM01. TRADING SPECIFICATIONS

XXXM01.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Exchange.

XXXM01.B. Trading Unit

The unit of trading shall be 1,000,000 Indian rupees.

XXXM01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 U.S. dollars per Indian rupee, equivalent to 1 Indian rupee per contract. Trades may also occur in multiples of 0.0000005 U.S. dollars per Indian rupee (equivalent to 0.50 Indian rupees per contract), commonly referred to as a one-half tick, for E-micro Indian rupee/U.S. dollar futures intra-currency spreads executed as simultaneous transactions on GLOBEX® pursuant to Rule 542.F.

XXXM01.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

XXXM01.E. [Reserved]

XXXM01.F. [Reserved]

XXXM01.G. Termination of Trading

Futures trading shall terminate at 12:00 noon Mumbai time (12:30 a.m. Central Time in the winter and 1:30 a.m. Central Time in the summer)² two Indian business days immediately preceding the last Indian business day of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Exchange and Indian business day.

XXXM01.H. [Reserved]

² Mumbai time is 11.5 hours ahead of Chicago (Central time) in the winter and 10.5 hours ahead of Chicago in the summer. India does not observe Daylight Saving Time.

Attachment 3 (continued)

XXXM02. SETTLEMENT PROCEDURES

XXXM02.A. [Reserved]

XXXM02.B. Cash Settlement

The Final Settlement Price shall be equal to the reciprocal of "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 1:00 a.m. Central Time in the winter and 2:00 a.m. Central Time in the summer). This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. The Final Settlement Price shall be rounded to seven (7) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, a RBI INR/USD rate of 0.0184496 U.S. dollars per Indian rupee becomes the Final Settlement Price.

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.

XXXM03. [RESERVED]

(End Chapter XXXM)