



Special Executive Report

S-6220

April 26, 2012

Listing European-Style End-of-Month (EOM) Options on NASDAQ 100 Futures and E-mini NASDAQ 100 Futures

In recognition of the popularity of the European-Style End-of-Month (EOM) options series in the S&P futures, CME will list the EOM options on the NASDAQ 100 futures and the E-mini NASDAQ 100 futures. The effective day of trading for EOM NASDAQ 100 is **May 20, 2012 for trade day of May 21, 2012**. Upon listing, there shall be four (4) consecutive European-Style EOM options for trading: June 2012, July 2012, August 2012 and September 2012 EOM NASDAQ 100 options will be listed at that time.

The structure of these products shall mimic the existing EOM options on S&P 500 and E-mini S&P 500 futures. They are European-Style options, exercisable only on the last business day of the month. The exercise of the options shall be determined automatically based on the “3:00 p.m. fixing” of the E-mini NASDAQ 100 futures. There shall be no contrarian instructions to exercise out-of-the-money options or to abandon in-the-month options. The strike listing of the EOM options shall copy strikes from the quarterly options that share the same underlying futures.

Notice that, occasionally, the EOM option expiry date may fall on the same day as a potential fourth (4th) weekly option expiry date. In such case, we shall forego the listing of the fourth (4th) weekly option, noting that the EOM option of the month would occupy the same expiry date, thus making the listing of the fourth weekly option redundant.

If you have any questions regarding these rule amendments, please contact Mr. John Nyhoff, R&PD at 312-930-2310 or Ms. Lucy Wang, R&PD at 312-648-5478.

Text of Rule Amendments

(Additions are underlined and deletions are bracketed and struck out.)

Chapter 359A
Options on E-mini NASDAQ 100 Index® Futures

359A01.D. Underlying Futures Contract

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March future contract.

3. Options in the European style Weekly Option Series¹

For options in the European style weekly options series, the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1st), second (2nd) and fourth (4th) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1st) and second (2nd) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4th) June weekly options shall be the September futures contract.

Options in the "End-of-Month" Options Series

For options in the "End-of-Month" options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February "End-of-Month" option series is the March futures contract, while the underlying futures contract for options in the March "End-of-Month" option series is the June futures contract.

359A01.E. Exercise Prices²

1. Options in the March Quarterly Cycle

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

At the commencement of trading, the Exchange shall list all exercise prices that are integers divisible by 10 without remainder in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Options in the European style Weekly Option Series³

At the commencement of trading, the Exchange shall list all exercise prices within 25 strikes above and

¹ Adopted October 2010.

² Revised July 2005, November 2005, June 2007, November 2007, April 2008, September 2008.

³ Adopted October 2010.

below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 10 without remainder, e.g. 1200, 1210, 1220, etc.

4. Options in the "End-of-Month" Options Series

Exercise prices for options in the "End-of-Month" Options Series listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January "End-of-Month" options series shall be identical to those listed for the March Quarterly options series.

Exchange staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

359A01.I. Termination of Trading

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European style Weekly Options Series⁴

For options in the European style Weekly Options Series, trading shall terminate at 3:00 p.m. Chicago Time on the Friday of the named week of the contract month.

For the first (1st) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday. However, if the first business day immediately preceding the Friday falls in the preceding calendar month, the first weekly option shall not be listed for trading.

For the second (2nd) weekly option of the month, if the second Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday.

For the fourth (4th) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday.

4. Options in the "End-of-Month" Options Series

For options in the "End-of-Month" Options Series, electronic trading on Globex of the options shall terminate at 3:00 p.m. Chicago Time on the last business day of the contract month. In the event that the underlying futures market does not open on the scheduled options expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

In the event that the underlying futures market does not open on the scheduled options expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

359A02.A.2 Options in "End-of-Month" Series and the European style Weekly Options Series⁵

Following the termination of trading of an option, all in-the money options shall be automatically exercised by the Clearing Houses on the day of expiration of the option. All out-of-the-money options shall be abandoned by the Clearing House on the day of expiration of the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CME E-mini NASDAQ 100 stock index futures on the day of expiration as follows:

- Tier 1 Take the thirty (30) second average of sale prices of the underlying futures contract on Globex, weighted by volume, from 2:59:30 to 3:00:00 p.m. Chicago time.
- Tier 2 If no sales occurred during the thirty-second interval noted above, take the midpoint of each bid and ask spread and average the resulting midpoints over the thirty-second interval. However, when looking at each bid/ask spread, if it is wider than 2 ticks (0.50 index points), the bid/ask pair shall be discarded in the calculation.
- Tier 3 If the fixing price cannot be determined by both Tier 1 and 2, or there is a trading interruption in the underlying futures market on Globex at any point from 2:58:00 to 3:00:00 p.m. Chicago time due to system outage or trading stoppages, including stoppage pursuant to Rule 580.3, take the thirty (30) second average of sale prices of the NASDAQ 100 futures contract of the same contract month as

⁴ Adopted October 2010.

⁵ Adopted October 2010.

the underlying futures contract, from 2:59:30 to 3:00:00 p.m. Chicago time.

- Tier 4 If the fixing price cannot be determined pursuant to Tier 1, 2 and 3, Exchange Staff shall take into consideration any other information it deems appropriate to determine the fixing price. This information may include, but is not limited to, the following, and procedures to determine the information may be performed in any order by Exchange Staff: (1) derive the fixing price based on basis relationship against the underlying cash index level; (2) repeat Tier 1, 2, or 3 at ever increasing 30 second increment intervals until data is obtained.

The calculation of the fixing prices shall be rounded to the nearest 0.01 index points.

In the event of an option expiring on a shortened trading day, the fixing calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 1250.01 or higher, then 1250 Calls shall be exercised. If the fixing price were 1249.99 or lower, then 1250 Calls shall be abandoned. Similarly, if the CME currency fixing price were 1249.99 or lower, then 1250 Puts shall be exercised. If the fixing price were 1250.00 or higher, then 1250 Puts shall be abandoned.

Options in the weekly options series may not be exercised prior to the expiration of the options. At the expiration, in-the-money options may not be abandoned and out-of-the-money options may not be exercised.

[Remainder of Chapter 359 is unchanged.]

Chapter 357A Options on NASDAQ 100 Index® Futures

357A01.D. Underlying Futures Contract

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.

3. Options in the European Style Weekly Option Series⁶

For options in the European Style weekly options series, the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1st), second (2nd) and fourth (4th) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1st) and second (2nd) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4th) June weekly options shall be the September futures contract.

4. Options in the "End-of-Month" Option Series

For options in the "End-of-Month" options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February "End-of-Month" option series is the March futures contract, while the underlying futures contract for options in the March "End-of-Month" option series is the June futures contract.

357A01.E. Exercise Prices⁷

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the NASDAQ 100 futures.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 Index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

⁶ Adopted October 2010.

⁷ Revised March 1999; December 2000, December 2001; July 2005, November 2005, April 2008, September 2008.

At the commencement of trading, the Exchange shall list all exercise prices in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 10 without remainder, e.g. 1500, 1520, 1530, etc.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add, on the next trading day, all eligible exercise prices in the corresponding range. New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

4. Options in the European Style Weekly Options Series⁸

At the commencement of trading, the Exchange shall list all exercise prices within 25 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 10 without remainder, e.g. 1210, 1220, 1230, etc.

5. Options in the "End-of-Month" Options Series

Exercise prices for options in the "End-of-Month" Options Series listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January "End-of-Month" options series shall be identical to those listed for the March Quarterly options series.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

357A01.I. Termination of Trading⁹

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European Style Weekly Options Series¹⁰

For options in the European Style Weekly Options Series, trading shall terminate at 3:00 p.m. Chicago Time on the Friday of the named week of the contract month.

For the first (1st) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday. However, if the first business day immediately preceding the Friday falls in the preceding calendar month, the first weekly option shall not be listed for trading.

For the second (2nd) weekly option of the month, if the second Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday.

For the fourth (4th) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first business day immediately preceding the Friday.

4. Options in the "End-of-Month" Option Series

For options in the "End-of-Month" Options Series, trading shall terminate at 3:00 p.m. Chicago Time on the last business day of the contract month. In the event that the underlying futures market does not open on the scheduled options expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

⁸ Adopted October 2010.

⁹ Revised December 2001.

¹⁰ Adopted October 2010.

357A02.A.2 Options in “End-of-Month” Series and the European style Weekly Options Series

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House. All out-of-the-money options shall be abandoned by the Clearing House on the day of expiration for the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CME E-mini NSDAQ 100 stock index futures on the day of expiration, determined pursuant rule 359.A02.A.2.

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 1250.01 or higher, then 1250 Calls shall be exercised. If the fixing price were 1250.00 or lower, then 1250 Calls shall be abandoned. Similarly, if the fixing price were 1249.99 or lower, then 1250 Puts shall be exercised. If the fixing price were 1250.00 or higher, then 1250 Puts shall be abandoned.

[Remainder of Chapter 357 is unchanged.]

**Chapter 5
Trading Qualifications and Practices**

POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE

CONTRACT NAME	OPTIONS	FIRST SCALE-DOWN SPOT MONTH	SECOND SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT ABLE FUT LEVEL	REPORT ABLE OPT LEVEL
CME Equity Index									
E-mini Nasdaq-100	Y					10,000 (B)		25	25
E-mini NASDAQ-100 End of Mo Options	Y					10,000 (B)		25	25
Nasdaq-100	Y					10,000 (B)		25	25
Nasdaq-100 End of Mo Options	Y					10,000 (B)		25	25
Nikkei 225	Y					*5,000		50	50
<p>*Net futures equivalents (NFE) long or short.</p> <p>(A) No more than the specified number of futures contracts net long or net short during the last five days of an expiring contract month.</p> <p>(B) This is an aggregate position limit and is the specified number of futures or futures equivalent contracts net long or net short in all contract months combined. For the purpose of aggregation, one big futures contract shall be deemed equivalent to five E-Mini futures contracts or E-micro futures contracts as applicable to the product.</p> <p>(C) This is an aggregate position limit in Standard & Poor's 500 Stock Price Index (S&P 500) futures and options, S&P 500 Growth futures, S&P 500 Value futures, and E-Mini S&P 500 futures and options, and is the specified number of S&P 500 futures or futures equivalent contracts net long or net short in all contract months combined. For purpose of aggregation: One S&P 500 futures contract shall be deemed equivalent to one S&P 500 Growth futures contract plus one S&P 500 Value futures contract. One S&P 500 futures contract shall be deemed equivalent to five E-Mini S&P 500 futures contracts.</p>									

[Remainder of Chapter 5 is unchanged.]