

August 9, 2006

NOTICE

RE: SLEDS PRICING IN TREASURY PRODUCTS

Effective **Monday August 14th**, the following will be the method by which leg-prices **are assigned** for SLEDS transactions in CBOT Treasury products executed on both the open outcry and e-cbot® platforms.

Bond, 10-Year Note and 5-Year Note Futures

The front-leg price will always be assigned in increments of **whole 32^{nds}** and will be the previous day's settlement price, unless the settlement price is not a whole 32nd.

If the settlement price is not a whole 32nd, the buyer of the SLED (buying the nearby) will be rounded up to the next whole 32nd and the seller of the SLED (selling the nearby) will be rounded down to the next whole 32nd.

2-Year Note Futures

The front-leg price will always be assigned in increments of **whole or half 32^{nds}** and will be the previous day's settlement price, unless the settlement price is not a whole or half 32nd.

If the settlement price is not a whole or half 32nd, the buyer of the SLED (buying the nearby) will be rounded up to the next whole or half 32nd and the seller of the SLED (selling the nearby) will be rounded down to the next whole or half 32nd.

The following are reminders regarding SLEDS pricing:

Open Outcry SLEDS

Members may designate specific leg prices if they choose to; however, the nearby leg must be priced at a whole 32nd for Bonds, 10-Year Note and 5-Year Note futures, or at a whole or half 32nd for 2-Year Note futures.

Once an open outcry SLED has been matched, leg prices may be changed to any valid tick as long as the differential is preserved.

e-cbot® SLEDS

Subsequent to a SLED transaction on e-cbot, leg prices may be changed to any valid tick as long as the differential is preserved.

Questions regarding this Notice should be directed to Jennifer Baum (312-341-3124) or Shelly Goodwin (312-347-4123) of the Office of Investigations and Audits.

Paul J. Draths
Vice President and Secretary