

September 26, 2006

NOTICE

Re: Directed Fungibility for CBOT® Corn, Wheat and Soybean Contracts

A directed fungibility program will be implemented on **October 2, 2006** for CBOT corn, wheat and soybean contracts. This program will enable market participants holding opposite positions in these mini-sized and full-sized futures contracts in the proper ratio and the same contract month, contract year, and account to request, through their clearing firm, the offset of those positions.

Firms will have the ability to enter a Request for Offset (“RFO”) against mini-sized and full-sized futures contracts through Front End Clearing (“FEC”). If accepted, the positions being offset shall be transferred to a holding account at the CBOT Clearing Services Provider. The CBOT Clearing Services Provider shall accept such request or fraction of such request upon receiving an opposite offset request from another clearing member. Such requests shall be processed in the order of oldest request date.

No such offset request for the expiring contract month shall be accepted during the last two trading days and all pending requests for that contract month will be cancelled at that time.

The offset process for corn, wheat and soybeans is as follows:

- Ratios are 5,000 bushel Corn to Mini-sized Corn: Ratio 1:5; 5,000 bushel Wheat to Mini-sized Wheat: Ratio 1:5; 5,000 bushel Soybeans to Mini-sized Soybeans: Ratio 1:5; Firm enters request for offset in existing fungible entry screen (firm enters either large contract or mini-sized contract and the system creates the opposing contract).
- Offset prices are populated with the previous day’s settlement price as of the date of match.
- A firm can, at any point, adjust down or delete an offset request.
- Increasing the quantity of the RFO requires a new request and must be entered separately.
- At 4:30 p.m. each business day the system will be closed to new entries and updates. Shortly after 4:30 p.m. a match will run and if there are requests which can be matched, trade confirmations will be sent to the firms detailing quantity and price of the offsets.
- Upon receipt of confirmation, firms must go into the delivery system, adjust inventories if offsets are occurring during the delivery month and ensure that PCS reporting for offsets is accurately reflected.
- Requests that are matched are booked and cleared with the trade date of the match event regardless of the date the request was entered into the system.

Partial matching is a possibility. When this occurs, requests are automatically reduced by the quantity of the match and the requests retain their original date and timestamp. Fungible offset request will remain in FEC until they are matched, removed by the firm, or 2 days prior to the last day of trading for the contract, at which time all outstanding requests for the expiring contract month will be deleted from the system.

Outstanding offset requests will be published, in aggregate, daily on CBOT.com. Specifically, this information can be found in the Registrar Report Section.

Questions related to this Notice can be directed to Joe Hawrysz at 312.341.7750 or jhawrysz@cbot.com

Paul J. Draths
Vice President and Secretary