

Advisory Notice

Clearing House

TO: Clearing Member Firms
FROM: Clearing House Department
ADVISORY #: 06 - 294
DATE: October 4, 2006
SUBJECT: **Zero Prices to be Allowed for Snowfall and Credit Event Futures on June 4, 2007**

Beginning June 4, 2007, zero will become an allowable value for trade prices and daily settlement prices for CME's Snowfall Index and Snowfall Seasonal Strip futures contracts. The change will apply beginning with the October 2007 contract months.

Also at this time, zero will become an allowable value for strike prices for options on these futures, and CME anticipates listing such options with zero strikes.

Also on that date, zero will become an allowable value for trade prices and settlement prices for CME Credit Event Futures, scheduled to be launched in the first quarter.

The plan to allow zero prices for CME-cleared contracts was first announced on April 18, 2006, in Clearing Advisory 06-99, available at <http://www.cme.com/files/Chadv06-99.pdf>. This advisory describes how zero or negative trade, settlement and strike prices are represented in all clearing data file and message formats.

CME plans to introduce more such contracts in the future, including futures with prices that may be negative, zero or positive, and options with strike prices that may be negative, zero or positive. We strongly recommend that firms verify that their bookkeeping systems can handle such contracts. We will provide firms with extensive opportunities for testing their systems beginning in March.

For more information please contact CME Clearing at 312-207-2525.