

## Advisory Notice

Clearing House

TO: Clearing Member Firm Personnel

FROM: Clearing House Department

DATE: August 16, 2004

ADVISORY #: 04-144

SUBJECT: **Settlement of the August 2004 GSCI Contract**

Please be advised that due to the October Lean Hogs contract limit moves today, **the final settlement of the August 2004 Goldman Sachs Commodity Index (GSCI) will not occur today.** Under the terms of the GSCI contract, the Research Department will not calculate a final settlement if a component contract month's settlement price on the day of regular calculation of the final settlement price is unavailable because of an unanticipated and/or unannounced closure of component contract market, then the price of such component contract to be used in calculating the final settlement price shall be next available official settlement Price. In the interim, clearing members are advised not to delete August GSCI futures and options positions from their bookkeeping systems, as they are still active contracts in the clearing system.

Please note that although the contract does not as yet have a final settlement price, the August GSCI is no longer eligible for trading. The holders of long options positions may exercise these positions however; these options will not be marked to a final futures settlement price until it is derived.

For the purposes of tonight's settlement processing the Clearing House Department will mark all August GSCI futures positions to an indicative market price of **312.35**. If the Lean Hogs contract does not settlement limit Tuesday, the Exchange will calculate the final settlement for the October GSCI. Otherwise, the Clearing House Department will invoke the same set of procedures Tuesday night as described above for tonight's settlement processing.

Again, clearing members must maintain August GSCI futures and options on their books until the official final settlement is calculated. For more information, please contact the Clearing House Risk Unit, at (312) 648-3888, or the Deliveries Unit, at (312) 930-3172.