

## Advisory Notice

Clearing House

TO: Clearing Member Firms, etc  
FROM: Clearing House Department  
ADVISORY #: 06-197  
DATE: August 10, 2006  
SUBJECT: **Firms May Now Choose Engine-Assigned E-CBOT SLEDS Leg Prices**

We are pleased to announce that beginning Monday, August 21, 2006, firms will have the option of receiving leg prices assigned by e-cbot ("engine-assigned leg prices") for their electronically-executed calendar spread trades in CBOT products. The identical capability was previously provided to firms for calendar spread trades executed on Globex for CME products.

By default, the clearing system will continue to ignore the engine-assigned leg prices and assign leg prices at previous day's settlement for the front leg, rounded as specified below. But firms may request that the clearing system **not** perform this assignment, and instead provide SLEDS leg prices as the same values provided by e-cbot.

This capability is now available for firm testing in the clearing certification environment. To request that it be turned on for your firm, either for testing or in production, please contact CME Clearing via email to [ccs@cme.com](mailto:ccs@cme.com) or call 312-207-2525.

Note also that in production this change can only be made over a weekend, for trading beginning the next Monday, so if you wish to begin receiving engine-assigned leg prices for Monday, August 21, please contact us as soon as possible.

### **Reminder: upcoming simplification of clearing-assigned CBOT SLEDS leg prices**

As previously announced in Clearing Advisory 06-189 (July 28, 2006), beginning this Monday, August 14, 2006, changes will be made to simplify the assignment of SLEDS leg prices for CBOT Treasury products. For Five-Years, Ten-Years and 30-Years, the front leg will always be assigned at previous day's settlement, rounded as needed to a whole 32nd. For Two-Years, the front leg will always be assigned at previous day's settlement, rounded as needed to a whole or half 32nd.

These changes apply to pit-executed calendar spread trades, and to e-cbot-executed calendar spread trades, provided that the firm has not requested engine-assigned leg prices.

For the full text of Clearing Advisory 06-189, please see:  
<http://www.cme.com/files/Chadv06-189.pdf>

### **Additional changes to improve SLEDS processing**

More improvements are planned to help firms make processing of calendar spread trades in bookkeeping systems more efficient. The next significant improvement has to do with the removal of restrictions on changing leg prices for pit-executed CBOT SLEDS, even prior to trade matching. Details will be published shortly.