

## Advisory Notice

Clearing House

TO: Back Office Managers, Clearing Software Providers

FROM: CME Clearing

ADVISORY #: 07-136

DATE: June 13, 2007

SUBJECT: CBOT 10-Year Treasury Note Option Strike Price Format to Change on June 25, 2007

Starting Sunday, June 24, 2007 (trade date June 25, 2007), CBOT will list for trading half-point strikes in the 10-year Treasury Note options. As such, the strike format for all 10-Year Treasury Note options will change to accommodate the extra level of precision. There are no changes to the 10-Year Flex Options.

This new strike format will be evidenced in Front End Clearing as well as the firm reports. The format for the 10-Year Treasury Note options will be identical to the 5-Year Treasury Note options.

Your trading and bookkeeping systems must be adjusted before the start of trading to accommodate for the new Inbound (to CME) and Outbound (from CME) price formats. Note that half of one point is equal to 16 thirty-seconds, but is represented in most formats by "5" or ".5". These strike price formats should emulate those of the CBOT 5-Year Treasury Note options. Therefore, trades should be keyed in the same format as 5-Year Treasury Note options in trade entry as well.

Interface/Format/ Layout	Inbound/ Outbound/ Both	Actual Strike Price	Current Strike Price Format	New Strike Price Format
TREX Trade Messages	Both	104 104 ½	0000104 N/A	0001040 0001045
FIXML Trade Messages	Both	104.0 104 ½	104,104.0,104.00,etc. N/A	104,104.0,104.00, etc (No Change) 104.5
SPAN File	Outbound	104 104 ½	0000104 N/A	0001040 0001045
Settlement Price File	Outbound	104 104 ½	0000104 N/A	0001040 0001045
PCS	Inbound	104 104 ½	104,104.0,104.00,etc. N/A	104,104.0,104.00, etc. (No Change) 104.5
Large Trader	Inbound	104 104 ½	0000104 N/A	0001040 0001045
FIXML Trade Register	Outbound	104 104 ½	104.00 N/A	104.00 104.50

Testing is currently available in Front End Clearing certification environment via CME new portal site: <http://connectcert.cme.com> including ecbot simulation region, except Thursday, June 14<sup>th</sup> when testing is only available in the End-to-End region. We encourage firms to test and validate their ability to submit 10 Year half-strike trades to clearing and load them from ecbot into their books.

The original CBOT Notice may be found at <http://www.cbot.com/cbot/docs/83092.pdf>

For questions regarding the clearing formats of these strike prices, please contact CME Clearing Services at (312) 207-2525.

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