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Advisory Notice

Clearing House

TO: All Firm Personnel

FROM: Clearing House Department

ADVISORY #: 05-297

DATE: December 23, 2005

SUBJECT: **e-cbot SLEDS Price Changes- Effective January 3, 2006**

Per a request from the Chicago Board of Trade, effective January 3, 2006, CME Clearing will change the way SLEDS leg prices are assigned in the clearing system for reduced-tick calendar spread trades executed on e-cbot for treasury products.

Currently, leg prices in clearing for these SLEDS trades, are initially specified as the values assigned by the e-cbot trading system, and firms receive TREX clearing trade confirmation messages with these values assigned by e-cbot.

With this change, the clearing system will ignore the leg prices coming from e-cbot, and instead will assign the leg price for the front leg as its previous day's settlement price, rounded if necessary to a full tick. This process will be exactly identical to the way it works for pit-executed SLEDS submitted to clearing without leg prices.

Currently-in-force restrictions on the firm's ability to change those leg prices will remain for the time being, but will be less of a burden for firms because the front leg price will always be at a whole tick for both pit-executed and electronically-executed SLEDS. For example, for SLEDS in the CBOT's Treasury complex, the front-leg price will always be at a whole number of 32nds, and firms may change this as they desire so long as they keep that front leg price at a whole number of 32nds.

For questions or concerns please contact CME Clearing House at 312 207 2525 or via email: ccs@cme.com