

Advisory Notice

Clearing House

TO: All CBOT and joint CBOT/CME Clearing Firms

FROM: Clearing House Division

DATE: February 9, 2004

ADVISORY #: 04-15

SUBJECT: **Important Notice Regarding Matching of Pit SLEDs**

This past Friday, February 6th, in the CBOT Treasury Bond pit, we began the process of re-introducing SLEDs (Single-Line Entry of Differential Spreads) processing for CBOT products. SLEDs will be phased in for pit trading for the remaining CBOT products this week and next week.

Please be aware that the initial deployment of SLEDs functionality for pit trades makes use of one-to-one trade matching only. For example, if the buy side submits a pit SLED for a quantity of 100, and the sell side submits two SLEDs for quantities of 50 each, these will not match.

In this case, if a firm discovers that one of its SLEDs trades is not matching because the other side has submitted the trade in two or more pieces, the firm must break up its single SLED trade into separate pieces, so as to match with the individual SLEDs trades submitted by the other side.

Please note that this situation is temporary. We expect that in about two weeks, this special handling by firm back-office staff will no longer be necessary, and pit SLEDs will match, like ordinary pit trades, as long as the total quantity matches on both sides.

Also please note that this temporary situation in no way impacts customers or trading of SLEDs, either via open outcry or on e-cbot®. Firms may still give up SLEDs trades, change leg prices as desired, and/or average-price SLEDs legs.

For more information, please contact the Trade Processing Unit at 312-207-2525.