

## Advisory Notice

Clearing House

TO: All Firm Personnel  
Service Bureau Representatives  
Independent Software Vendors

FROM: Clearing House Department

ADVISORY #: 04-193

DATE: October 21, 2004

SUBJECT: **Change in Minimum Increment for Eurodollar Options – Effective Sunday, November 14, 2004**

Beginning **Sunday, November 14, 2004**, all Eurodollar Serial, Quarterly, Mid-Curve and 5-year Bundle options will be eligible to trade in increments of **.005 (1/2-tick)**, under new rules. However, the nearest expiring regular quarterly options on CME Eurodollar futures contracts will still be eligible to trade in increments of .0025 (\$6.25), if the underlying quarterly future is eligible to trade in quarter-ticks. The following table illustrates this change, with the new rules in **bold-faced type**:

<b>CME Eurodollar Option Minimum Price Fluctuation (Full tick = 0.01 IMM Index point = \$25.00)</b>				
Contracts	Options on CME Eurodollar Futures	One-Year Mid-Curve Options	Two-Year and Gold Mid-Curve Options	5-year Bundle Options*
<b>New Rules (Beginning Sunday, November 14, 2004)</b>	<b>Quarterly Options:</b> <b>1<sup>st</sup> – 8<sup>th</sup>: Half-tick</b> (Expiring can trade in quarter-tick if underlying future can trade in quarter-tick)	<b>Quarterly Options:</b> <b>1<sup>st</sup> – 4<sup>th</sup>: Half-tick</b>	<b>Quarterly Options:</b> <b>1<sup>st</sup> - 4<sup>th</sup>: Half-tick</b>	<b>Quarterly Options:</b> <b>1<sup>st</sup> &amp; 2<sup>nd</sup>: Half-tick</b>
	<b>Serial Options:</b> <b>1<sup>st</sup> – 2<sup>nd</sup>: Half-tick</b>	<b>Serial Options:</b> <b>1<sup>st</sup> – 2<sup>nd</sup>: Half-tick</b>	<b>Serial Options:</b> <b>None</b>	<b>Serial Options:</b> <b>1<sup>st</sup> – 2<sup>nd</sup>: Half-tick</b>
Current Rules (Through Friday, November 12, 2004)	Quarterly Options: 1 <sup>st</sup> – 4 <sup>th</sup> : Half-tick (Expiring can trade in quarter-tick if underlying future can trade in quarter-tick) 5 <sup>th</sup> – 8 <sup>th</sup> : Full-tick (half-tick at or below 5 ticks)	Quarterly Options: 1 <sup>st</sup> & 2 <sup>nd</sup> : Half-tick 3 <sup>rd</sup> & 4 <sup>th</sup> : Full-tick (half-tick at or below 5 ticks)	Quarterly Options: 1 <sup>st</sup> & 2 <sup>nd</sup> : Half-tick 3 <sup>rd</sup> & 4 <sup>th</sup> : Full-tick (half-tick at or below 5 ticks)	Quarterly Options: 1 <sup>st</sup> & 2 <sup>nd</sup> : Full-tick (half-tick at or below 3 ticks)
	Serial Options: 1 <sup>st</sup> – 2 <sup>nd</sup> : Half-tick	Serial Options: 1 <sup>st</sup> – 2 <sup>nd</sup> : Half-tick	Serial Options: None	Serial Options: 1 <sup>st</sup> – 2 <sup>nd</sup> : Full-tick  * Full-tick = \$500

If you have any questions regarding this notice, please contact Laura Sutor at 312.648.5480 or [lsutor@cme.com](mailto:lsutor@cme.com), or Lisa Amato at 312.338.2654 or [lamato@cme.com](mailto:lamato@cme.com). Thank you.