

Advisory Notice

Clearing House

TO: All Firm Personnel
Service Bureau Representatives
Independent Software Vendors

FROM: Clearing House Department

ADVISORY #: NP 05-03

DATE: UPDATED March 15, 2005

SUBJECT: New CME® European-Style Foreign Exchange Options on Euro FX and Japanese Yen – Effective April 3, 2005 – **Expiration Timetable Changes**

Please note changes in the Operational Timetable at Expiration, in bold-faced type below.

Any specifications and price formats not mentioned herein are identical to the existing CME American-style FX option counterpart's specifications. Contract specifications pertinent and unique to these contracts can be found below:

Contract Name(s): CME European-style Options on Futures on Euro FX and Japanese Yen

Launch Date: Sunday, April 3, 2005 for trade date April 4, 2005

Trading Hours: CME European style foreign currency options on futures will trade during the following hours:

Trading Floor (Monday through Friday):
7:20 a.m. to 2:00 p.m., including the last day of trading.

CME Globex® (Sunday through Friday):
5:00 p.m. (trading opens for the next trade date) to 4:00 p.m. the following day. On Friday, CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m.

Initial Contract Months: May, June, Sept, and Dec '05, and Mar '06, and April 14, 21, 28, and May 12 Weekly Options.

Contract Months Listing Schedule: The regular options listing schedule includes four March quarterly cycle months, two serial months and four weekly options contracts.

Expiration Day:

March Quarterly & Monthly Options: Options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually at 9:00 a.m. Chicago time).

Weekly Options: Options expire usually at 9:00 a.m. Chicago time on Fridays not also an expiration for quarterly and monthly options.

Termination of Trading:

March Quarterly & Monthly Options: Floor trading terminates at the normal Regular Trading Hours (RTH) closing time (usually 2:00 p.m. Chicago time) on the business day preceding the expiration of the contract month. Trading on the CME Globex platform terminates at **9:00 a.m.** Chicago time) on the expiration day. If that date is a scheduled Exchange holiday, trading shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

Weekly Options:

Floor trading terminates at the normal RTH closing time (usually 2:00 p.m. Chicago time) on those business days preceding expiration of the weekly options that are not the termination of a quarterly or monthly European-style option. Trading on the CME Globex platform terminates at **9:00 a.m.** Central Time) on the expiration day. If that date is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

A regular FX outtrade session is held on Friday morning prior to the market opening to resolve outrades and give ups from the prior trading day. Also, a special European-Style Foreign Exchange (FX) Options out-trade session will be held on Friday afternoon during the normal out-trade session for currencies after terminations of the March quarterly, monthly or weekly European-Style FX Options on CME Globex. **At expiration, firms have until the normal 7:00 p.m. deadline to get all giveups and average-price transactions accepted.**

Exercise Price:

Listing rules are identical to those of American-style foreign currency options.

Exercise:

All in-the-money options are automatically exercised by the Clearing House on the expiration day for the option. All at and out-of-the-money options are abandoned by the Clearing House on the expiration day for the option. No contrary exercise instructions to the Clearing House will be permitted (e.g., abandon an in-the-money option or exercise an out-of-the-money option). An option is in-the-money if the CME currency fixing price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put. The CME currency fixing price will be determined at 9:00 a.m. Central Time on the expiration day (usually Friday) and based upon the underlying pit and Globex futures sale prices, weighted by volume where available or bids and offers when sale prices are not available. Details on the tiered procedure to determine the CME currency fixing price for the CME European-Style FX Options is available in CME Special Executive Report, S-4238, dated Tuesday, March 22, 2005. **Final exercise and assignment is run Friday night at the normal time using the special "CME currency fixing prices" captured at 9:00 a.m. Central Time. The Clearing House exercises all in-the-money and abandons all at- and out-of-the-money (at-the-money fixing price is considered out-of-the-money) CME European-style FX options based on the "CME Currency fixing price".**

TRADING VENUE:

Regular Trading Hours (RTH-Trading Floor), Side-By-Side on CME Globex and CME Globex Electronic Trading Hours.

ALL-OR-NONE TRADING:

All-Or-None (AON) trading for the CME European style Currency options will be allowed at minimum thresholds of 100 contracts. AON Trading will be conducted in the same location as regular pit-trading of the respective currency options pits.

BLOCK TRADING:

Block trading is allowed in the CME European style Currency Options on futures contracts at minimum thresholds of 250 contracts. Block trading of underlying futures contracts is not allowed. **Block trades can be reported to the CME Globex Control Center up until 4:00 p.m. Central Time on Monday through Friday for that day's same trade date.**

Commodity Codes/

Ticker Symbols:

Weekly Options	Side-by-side Commodity Codes	Side-by-Side Ticker Symbols	Globex Commodity Codes	Globex Ticker Symbols
Euro FX	1T-5T	1T-5T	1Q-5Q	1Q-5Q
Japanese Yen	1Y-5Y	1Y-5Y	1O-5O	1O-5O

Option Contract	RTH Commodity Code	RTH Ticker Symbol	GLOBEX Ticker Symbol®	AON Symbol	Fixing Symbol
Euro FX	YT	YT	XT	0T (zero- tee)	YT
Japanese Yen	YJ	YJ	XJ	0J	YJ

FOR FURTHER INFORMATION, CONTACT:

cme.com Inquiries

General Information:

GLOBEX Information:

Performance Bond Information:

Position Limits:

Settlement/Delivery Information:

Thank you.

Customer Service

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