

## Advisory Notice

Clearing House

TO: All Firm Personnel  
Service Bureau Representatives  
Independent Software Vendors

FROM: Clearing House Department

ADVISORY #: NP 06-08

DATE: March 15, 2006

SUBJECT: **REVISED: Daily CME Eurodollar Futures Traded Via Substitutions Only**

Revision: The minimum price intervals have been updated.

### Introduction

On Monday, April 3, 2006, CME will introduce clearing of CME Substitution trades ("Subs") in both existing monthly CME Eurodollar futures contracts and a new **daily CME Eurodollar** contract. The daily CME Eurodollar contract will trade **only** via Subs.

Subs are a new type of privately-negotiated trade. A Sub allows a cleared futures trade to be substituted for a privately-negotiated bilateral forward transaction. For more information about Subs, please see:

- Clearing Advisory 05-183, **New "Sub" Privately-Negotiated Trade Type**, published August 23, 2005, at <http://www.cme.com/files/Chadv05-183.pdf>
- Clearing Advisory 06-32, **Reminder: New "Sub" Privately-Negotiated Trade Type**, published February 9, 2006, at <http://www.cme.com/clearing/clr/clradv/17270.html>
- Our Web site at [www.cme.com/clearing360](http://www.cme.com/clearing360).

<b>CONTRACT NAME:</b>	<b>Daily CME Eurodollar Futures</b>
<b>LISTING DATE:</b>	<b>Monday, April 3, 2006</b>
<b>DESCRIPTION:</b>	<b>Daily CME Eurodollar Futures traded via Subs only.</b>
<b>CONTRACT SIZE:</b>	3-month Eurodollar Deposit with \$1,000,000 Notional value.
<b>TRADING VENUE:</b>	All trading done via privately-negotiated transactions.
<b>TRADING HOURS:</b>	No limitation. Subs can be reported whenever Front-End Clearing (FEC) is available.

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**CLEARING PRODUCT CODE:** EDD

**TICKER SYMBOL:** EDD

**DELIVERY:** Cash-settled

**MINIMUM PRICE INTERVALS:** .0025 or \$6.25 for contracts settling within the first 31 daily contracts  
.005 or \$12.50 for contracts settling greater than the first 31 daily contracts.

**VALUE PER TICK:** \$25.00

### CONTRACT DATE AND LISTING CONVENTIONS

Daily CME Eurodollar Futures (EDD) contracts (as defined by the **Contract Date**, also known as **Contract Period Code**) will be listed for six (6) calendar months excluding contract dates that correspond to the standard Eurodollar monthly futures (ED) contract (the third Wednesday of the contract month.). All listed contract dates will be both US and London banking calendar business days.

In other words, to do a Sub for a corresponding standard monthly CME Eurodollar futures contract, you use the normal **ED** clearing code for the monthly future. To do a Sub for any other eligible date, you use the **EDD** clearing code for the daily future.

(Sub transactions submitted to clearing via FIXML messaging **must** specify FIXML trade type "23". TREX confirms provided to firms will specify trade type "F".)

**Final settlement price** for a Daily CME Eurodollar Futures contract will be determined by the 11 a.m. London time (normally 5 a.m. Chicago time) "fixing" of the 3-Month LIBOR rate by the BBA (British Bankers Association) on the **fixing day**, also known as the **(futures) clearing settlement date**. The fixing day is two (2) London bank business days prior to the Contract Date. The Contract Date convention for Daily Eurodollar Futures contracts is consistent with the Over-The-Counter market conventions for identifying Forward Rate Agreements (FRA contracts) with the same fixing day..

The **last day of trading** (the last day on which Sub trades in this contract may be accepted) is the fixing day, unless this is not a CME business day. If the fixing day is not a CME business day, then the last day of trading is the immediately preceding CME business day.

Example:

The value date for a FRA with a fixing day of Tuesday, February 14, 2006 is Thursday, February 16, 2006

The contract date or contract period code is **20060216**. This is the 8-byte representation of the contract date (value date).

The final settlement price will be determined on **Tuesday, February 14, 2006**. This is also the last day of trading since CME is open for business on this date.

**FINAL SETTLEMENT PRICE:** The final settlement price will be 100 minus the British Bankers' Association Interest Settlement Rate for Three-

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Month Eurodollar Interbank Time Deposits, rounded to the nearest 1/10000<sup>th</sup> of a percentage point, on the fixing day.

**POSITION ACCOUNTABILITY:**

A person owning or controlling more than 10,000 contracts net long or net short in all Eurodollar contracts combined, including both daily and monthly Eurodollar futures contracts, shall provide, in a timely fashion upon request by CME, information regarding the nature of the position, trading strategy and hedging information if applicable. For positions involving options on Three-month Eurodollar futures, this rule is superseded by the option position accountability rule.

**MINIMUM REPORTABLE LEVEL:**

25 contracts.

**CFTC REPORTABLE NUMBER:**

Contact Judy Sepsey or Margie Sweet at (312) 596-0609.

**PERFORMANCE BOND  
REQUIREMENTS:**

To be announced by the Clearing House.

**CLEARING FEES:**

\$1 surcharge plus normal Eurodollar future clearing fee.

**PRICE CONVENTIONS:**

	<b>Futures Trade Price</b>
<b>Actual Price / FIXML format</b>	98.8452
<b>TREX/TES Format</b>	0988452
<b>Settlement Price File</b>	0988452
<b>SPAN File</b>	0988452

If you have any questions regarding this notice, please contact CME Clearing at 312-207-2525.  
Thank you.