

## Advisory Notice

Clearing House

TO: Clearing Member Firms, etc

FROM: Clearing House Department

ADVISORY #: NP 06-22

DATE: June 12, 2006

SUBJECT: **Update: Auctions on Consumer Price Index (CPI) to be launched on Wednesday, June 14, 2006**

**CORRECTION: The option decimal locator is 6 not 5. The option minimum price fluctuation is 0.000001 not 0.00001. The minimum fluctuation in the underlying future will be 0.0001.**

The next CME Economic Derivatives product, trading via CME Auction Markets, will launch this Wednesday, June 14, 2006. (Apologies for the very short notice.) The underlying statistic for these auctions is the **Consumer Price Index -- All Urban Consumers -- All items less food and energy**. This is the "Core CPI" number as published monthly by the Bureau of Labor Statistics of the Department of Labor.

The ticker symbol for the CPI as a CME Economic Derivatives product is **CP1** -- that's the digit 1.

**Note that these are separate and distinct from the CME's normal futures on the Consumer Price Index**, which trade on CME Globex and have ticker symbol **CPI**.

The first auction will be held from 6:00 a.m. to 7:00 a.m. Chicago time this Wednesday, June 14, 2006 with the underlying statistic value scheduled to be released at approximately 7:30 a.m. Chicago time on that date.

The second auction will be held from 6:00 a.m. to 7:00 a.m. Chicago time on Wednesday, July 19, 2006 again with the underlying statistic scheduled to be released at approximately 7:30 a.m. on that date.

Like all CME Economic Derivatives products, orders may be placed in these auctions either directly via iLink, or via the CME Auction Markets web interface at <http://auctions.cme.com>. Customers must be registered to participate, but the auctions may be monitored in real time at this address by any interested party.

A typical value for the underlying statistic will be **204.1**. Strikes will be listed in increments of **0.1** for approximately **0.4** on either side of the market's expectation of the statistic value.

As with all CME Economic Derivatives products, filled auction orders will be decomposed for clearing and bookkeeping processing into "book-instrument" trades, looking like monthly options on non-tradeable cash-settled futures. Participating firms should define these products in their bookkeeping master files as follows:

- The clearing code for the "big" book-instrument contracts will be **CP1**. These have a contract size (contract value factor) of **10,000**.
- The clearing code for the "little" book-instrument contracts will be **CQ1**. These have a contract size (contract value factor) of **1**.
- The minimum fluctuation for book-instrument option trades will be **0.000001**. The TREX and SPAN format for these option prices has an implied decimal locator of **6**.

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- Strike prices for these book-instrument options will have an implied decimal locator of **1**.
- The minimum fluctuation for the book-instrument underlying "future" will be **0.0001**. The TREX and SPAN format for these prices has an implied decimal locator of **4**.

For more information please CME Clearing at 312-207-2525.