

Advisory Notice

Clearing House

TO: All Firm Personnel
Service Bureau Representatives
Independent Software Vendors

FROM: Clearing House Department

ADVISORY #: NP 06-13

DATE: April 21, 2006

SUBJECT: **INFORMATION UPDATE #2:** CME Housing Futures and Options—S & P Case-Shiller® Metro Area Home Price Indices -- *Effective May 15, 2006 (Tentative)*

PLEASE NOTE THE UPDATED INFORMATION SHOWN BELOW IN BOLD-FACE TYPE.

CONTRACT NAME: CME Housing Futures & Options (based on the S & P Case-Shiller Metro Area Home Price Indices-(CSIs))

LISTING DATE: **May 15, 2006 (Tentative)**

DESCRIPTION: The “CSIs” are designed to track the pricing performance of residential housing values. CME intends to list futures and European-style options on ten (10) indices representing housing price performance in the metropolitan areas of Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, Washington D.C., and, an index that represents a composite of the 10 cities.

Current Metro Area Weights for computing the S & P Case-Shiller Metro Area Home Price Index:

Boston	0.074122
Chicago	0.088868
Denver	0.036825
Las Vegas	0.014802
Los Angeles	0.21162
Miami	0.049862
New York	0.27239
San Diego	0.055134
San Francisco	0.117879
Washington, D.C.	0.0785

CONTRACT SIZE:

Futures: \$250 x Index

Options: One Futures contract

TRADING VENUE:

The Exchange will trade the CME Housing futures exclusively on the CME Globex® electronic trading system and options on futures exclusively in the **CME GSCI pit**.

TRADING HOURS:

Futures:	Offered on CME Globex Sundays-Thursdays 5:00 p.m. – 2:00 p.m. Central Time the next day.
Options:	Offered on the Trading Floor Mondays-Fridays 8:00a.m. – 2:00p.m. Central Time.

VALID CONTRACT MONTHS:

Futures:	February, May, August and November
Options:	February, May, August and November

INITIAL CONTRACT MONTHS:

Futures:	May '06, August '06 and November '06 and February '07
Options:	May '06, August '06 and November '06 and February '07

COMMODITY CODES/TICKER SYMBOLS:

Futures and Options:	Composite Index	CUS
	Boston	BOS
	Chicago	CHI
	Denver	DEN
	Las Vegas	LAV
	Los Angeles	LAX
	Miami	MIA
	New York	NYM
	San Diego	SDG
	San Francisco	SFR
	Washington D.C.	WDC

Underlying Cash Index	Composite Index	CSX
	Boston	BOX
	Chicago	CHX
	Denver	DNX
	Las Vegas	LVX
	Los Angeles	LXX
	Miami	MIX
	New York	NYX
	San Diego	SNX
	San Francisco	SFX
	Washington D.C.	WDX

The underlying cash index will be announced once a month (Last Tuesday of the month) and it will be used for informational purposes. During the expiration month, the index will be announced and it will be used as a final settlement for the expiring contract. For trading purposes, the index will only be used for final settlement for the four expiring months. The other eight index releases will be used for informational points, not settlement data.

RELEASE DATE:

The Underlying Cash Index will be determined at 1:15 p.m. Central Time on the last Tuesday of the contract month.

VALID SPREADS:

Futures Calendar spreads for all 10 regions, plus the Composite, will be permitted. Regional spreads (or inter-commodity spreads) for all possible pairs of regions/composite for each February quarterly cycle month will be permitted. Please refer to Exhibit I for more information on available spreads.

DELIVERY:	Cash Settled
EXERCISE STYLE:	European
TERMINATION OF TRADING:	<p>Futures trading shall terminate at 12:00 noon Central Time the last Tuesday of the expiration month</p> <p>Options trading shall terminate at 12:00 noon Central Time the last Tuesday of the expiration month</p>
SCHEDULED RELEASE DATE:	1:15 p.m. Central Time on the last Tuesday of the month
BLOCK TRADING:	Minimum Quantity = 20 contracts
MINIMUM PRICE INTERVALS:	0.20 for futures 0.10 for options on futures
VALUE PER TICK:	
Futures:	0.20 index points = \$50.00
Options:	0.10 index points = \$25.00
CABINET OPTION VALUE:	0.05 index points
EXERCISE PRICE LISTINGS AND INTERVALS:	Ten
(10) Strike Prices at 5.00 index point intervals	
spanning 50.00 index points above and below previous	
close in the underlying futures contract will be listed.	
Prices at 1.00 index point intervals will be listed	
demand evidenced in the options pit.	
FINAL SETTLEMENT:	
Futures:	Cash Settled on S & P Case-Shiller Metro Area Home Price Indices published by Fiserv CSW Inc. for Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, Washington, DC, and 10-city composite index, on the Release Day.
Options:	European-style options exercised into the associated futures contract, on the Release Day
POSITION LIMITS:	5,000 contracts
MINIMUM REPORTABLE LEVEL:	25 contracts.
CFTC REPORTABLE NUMBER:	Contact Judy Sepsey or Maggie Sweet at 312.596.0609.
PERFORMANCE BOND REQUIREMENTS:	To be announced by the Clearing House.
CLEARING FEES:	To be announced by the Accounting Department.

PRICE CONVENTIONS:

	Futures Trade Price	Option Premium	Exercise Price
Actual Price	207.80	1.20	206.0, 207.0, 208.0
TREX	020780	0000120	2060
Trade Register Report	207.80	1.20	2060
Trade Register FIXML File (MRTR)	207.80	1.20	2060
Settlement Price File	020780	000120	2060
SPAN File	020780	000120	2060
GLOBEX	20780 (no decimal)	N/A	N/A
GLOBEX Cabinet Price		N/A	
APS FIXML File	020780	000120	2060

FOR FURTHER INFORMATION, CONTACT:

cme.com Inquiries
General Information:

Globex Information:
Performance Bond Information:
Position Limits:
Settlement/Delivery Information:

Customer Service (800) 331-3332
Products & Services or (312) 930-8213
Clearing House (312) 207-2525
Globex Control Center (312) 456-2391
Risk Management Dept. (312) 648-3888
Market Regulation (312) 648-3259
Delivery Department (312) 930-3172

EXHIBIT I

SPREADS

Inter-commodity Spreads

Alphabetical sort

Composite	Boston	Chicago	Denver	Las Vegas	Los Angeles	Miami	NY	San Diego	San Francisco	Washington DC
Boston		Chicago	Denver	Las Vegas	Los Angeles	Miami	NY	San Diego	San Francisco	Washington DC
Chicago			Denver	Las Vegas	Los Angeles	Miami	NY	San Diego	San Francisco	Washington DC
Denver				Las Vegas	Los Angeles	Miami	NY	San Diego	San Francisco	Washington DC
Las Vegas					Los Angeles	Miami	NY	San Diego	San Francisco	Washington DC
Los Angeles						Miami	NY	San Diego	San Francisco	Washington DC
Miami							NY	San Diego	San Francisco	Washington DC
NY								San Diego	San Francisco	Washington DC
San Diego									San Francisco	Washington DC
San Francisco										Washington DC

Calendar Spreads

CUSK6 - CUSQ6

CUSK6 - CUSX6

CUSK6 - CUSG7

CUSQ6 - CUSX6

CUSQ6 - CUSG7

CUSX6 - CUSG7

MIAK6 - MIAQ6

MIAK6 - MIAX6

MIAK6 - MIAG7

MIAQ6 - MIAX6

MIAQ6 - MIAG7

MIAX6 - MIAG7

BOSK6 - BOSQ6

BOSK6 - BOSX6

BOSK6 - BOSG7

BOSQ6 - BOSX6

BOSQ6 - BOSG7

BOSX6 - BOSG7

NYMK6 - NYMQ6

NYMK6 - NYMX6

NYMK6 - NYMG7

NYMQ6 - NYMX6

NYMQ6 - NYMG7

NYMX6 - NYMG7

CHIK6 - CHIQ6			SDGK6 - SDGQ6		
CHIK6 - CHIX6	CHIQ6 - CHIX6		SDGK6 - SDGX6	SDGQ6 - SDGX6	
CHIK6 - CHIG7	CHIQ6 - CHIG7	CHIX6 - CHIG7	SDGK6 - SDGG7	SDGQ6 - SDGG7	SDGX6 - SDGG7
DENK6 - DENQ6			SFRK6 - SFRQ6		
DENK6 - DENX6	DENQ6 - DENX6		SFRK6 - SFRX6	SFRQ6 - SFRX6	
DENK6 - DENG7	DENQ6 - DENG7	DENX6 - DENG7	SFRK6 - SFRG7	SFRQ6 - SFRG7	SFRX6 - SFRG7
LAVK6 - LAVQ6			WDCK6 - WDCQ6		
LAVK6 - LAVX6	LAVQ6 - LAVX6		WDCK6 - WDCX6	WDCQ6 - WDCX6	
LAVK6 - LAVG7	LAVQ6 - LAVG7	LAVX6 - LAVG7	WDCK6 - WDCG7	WDCQ6 - WDCG7	WDCX6 - WDCG7
LAXK6 - LAXQ6					
LAXK6 - LAXX6	LAXQ6 - LAXX6				
LAXK6 - LAXG7	LAXQ6 - LAXG7	LAXX6 - LAXG7			