



## Advisory Notice

Clearing House

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TO: All Firm Personnel  
Service Bureau Representatives  
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FROM: Clearing House Department

ADVISORY #: NP 06-16

DATE: May 3, 2006

SUBJECT: **INFORMATION UPDATE #2:** CME<sup>®</sup> Israeli Shekel Futures and Options -- **Effective Sunday, May 7, 2006**

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

<b>CONTRACT NAME:</b>	CME Israeli Shekel Futures and Options
<b>LISTING DATE:</b>	Sunday, May 7, 2006 for Trade Date Monday, May 8, 2006
<b>DESCRIPTION:</b>	To expand the CME foreign exchange (FX) product line, CME developed physically-delivered, CME Globex <sup>®</sup> only-traded, CME Israeli Shekel futures and options on futures contracts.
<b>CONTRACT SIZE:</b>	1,000,000 Israeli Shekelim (pl. Shekel) equal approximately to <b>US \$223,000 as of 5/1/06 based on an exchange rate of 4.4843 ILS per USD or \$.223000 per ILS</b>
<b>TRADING VENUE:</b>	CME Globex
<b>TRADING HOURS:</b>	
<b>Futures:</b>	Traded exclusively on the CME Globex electronic trading system on Sundays through Fridays from 5:00 p.m. to 4:00 p.m. CT the next day. On Friday CME Globex platform closes at 4:00 p.m. CT and reopens Sunday at 5:00 p.m. CT.
<b>Options:</b>	Same as futures

## VALID CONTRACT MONTHS:

<b>Futures:</b>	Six (6) months in the March quarterly cycle (March, June, September and December)
<b>Options:</b>	<u>Quarterly Options:</u> four (4) months in the March quarterly cycle <u>Serial Options:</u> two (2) serial option months (non-March cycle months, e.g. January, February, April, May, July, August, October and November) <u>Weekly Options:</u> four (4) weekly options listed

## INITIAL CONTRACT MONTHS:

<b>Futures:</b>	June '06, September '06, December '06, March '07 June '07, September '07; <b>plus Calendar Spreads of Sep. '06 vs. Jun. '06, Dec. '06 vs. Jun. '06, and Mar. '07 vs. Jun. '06</b>
<b>Options:</b>	June '06, September '06, December '06, March '07 Plus Serials: July '06, August '06 and Weeklies: [initial 5/11/06 not listed], 5/18/06, 5/25/06 and 6/1/06

<b>PRODUCT CODE:</b>	IS
<b>TICKER SYMBOL:</b>	ILS
<b>WEEKLY OPTION CODES:</b>	IS1, IS2, IS3, IS4, IS5
<b>DELIVERY:</b>	By physical delivery
<b>EXERCISE STYLE:</b>	<u>American</u> -- All in-the-money options are automatically exercised at expiration in the absence of contrary instructions. All American-style CME Israeli shekel options may be exercised until 7:00 p.m. Central Time (CT) on any business day the option is traded.

## TERMINATION OF TRADING:

<b>Futures:</b>	At 9:16 a.m. CT on the 2 <sup>nd</sup> business day before the 3 <sup>rd</sup> Wednesday of the contract month. If that day is not a CME business day, then the termination of trading will be at the same time on the preceding business day.
<b>Options:</b>	<u>Quarterly and Serial Options:</u> 2 <sup>nd</sup> Thursday preceding the 3 <sup>rd</sup> Wednesday of the contract month. <u>Weekly Options:</u> four (4) nearest Thursdays that are not also terminations for quarterly and serial options.  <b>Weekly options will terminate on any other Thursdays that are not termination days for March quarterly and serial month Shekel options.</b> Israel-based market participants preferred

Thursday terminations for CME Israeli Shekel options, rather than Fridays, due to the opinion that liquidity in the underlying CME IS Futures may decrease in general (due to the observation of the Sabbath) and be somewhat more limited after 1:00 p.m. Israel time (8 hours ahead of Chicago or 5:00 a.m. Chicago time).

**MINIMUM PRICE INTERVALS:**

**Futures:**

\$0.00001 USD/Israeli Shekel (equal to \$10.00 or approximately **44.84** ILS at current exchange rates). Also, trades can occur in \$0.000005 per Israeli Shekel increments (\$5.00/contract) futures intra-currency spreads executed on CME Globex

**Options:**

\$.00001 per Israeli Shekel = \$10.00/contract, also, trades may occur at \$.000005 (\$5.00), \$.000015 (\$15.00), \$.000025 (\$25.00), \$.000035 (\$35.00), \$.000045 (\$45.00), which are less than five ticks of premium

**VALUE PER TICK:**

\$0.00001 USD/Israeli Shekel (equal to \$10.00)

**CABINET OPTION VALUE:**

A trade may also occur at a price of \$.000005

**EXERCISE PRICE INTERVALS:**

\$.001 per Israeli Shekel, **e.g., \$.222, \$.223, \$.224. Strike price nearest the previous day's settlement price plus 21 additional strikes up/down. Strike prices will be 4 digits 2220, 2230, 2240, etc).**

**FINAL SETTLEMENT PRICE:**

**Futures:**

Israeli Shekelim are physically delivered through approved delivery banks in Israel and U.S. dollars payments delivered through approved delivery banks in the U.S. (designated by CME).

**Options:**

N/A

**POSITION ACCOUNTABILITY**

Positions more than 6,000 contracts net long or short, in all contract months combined must provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.

**SPOT POSITION LIMITS:**

No more than 2,000 contracts net long or short in the spot month one week prior to termination.

**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.

**PRICE CONVENTIONS:**

	<b>Futures Trade Price</b>	<b>Option Premium</b>	<b>Exercise Price</b>
<b>Actual Price</b>	\$0.218530	.000350	\$.2170, \$.2180, \$.2190
<b>TREX</b>	0218530	0000350	2170
<b>Trade Register Report</b>	\$0.218530	.000350	2170
<b>FIXML MRTR Format</b>	\$0.218530	.000350	2170
<b>Settlement Price File</b>	0218530	0000350	2170
<b>SPAN File</b>	0218530	0000350	2170
<b>GLOBEX Price Entry</b>	<b>21853.0</b>	<b>35.0</b>	2170, 2180, 2190
<b>GLOBEX Cabinet Price</b>			N/A

\*NOTE: Variable Tick specifications are; 000050 is the threshold option premium price level. For premiums of 0.000050 and above, minimum tick is 0.000010. For premiums below 0.000050, minimum tick is 0.000005, which includes 0.000045, 0.000040, 0.000035, 0.000030, 0.000025, 0.000020, 0.000015, 0.000010, and 0.000005. \*\*NOTE: There is not a CABINET Price, per se. The smallest premium value is 0.000005.

**FOR FURTHER INFORMATION, CONTACT:**

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	Clearing House	(312) 207-2525
Globex Information:	Globex Control Center	(312) 456-2391
Performance Bond Information:	Risk Management Dept.	(312) 648-3888
Position Limits:	Market Regulation	(312) 648-3259
Settlement/Delivery Information:	Delivery Department	(312) 930-3172
Clearing Fee Information:	Exchange Fee Hotline	(312) 648-5470