



## Advisory Notice

Clearing House

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TO: All Firm Personnel  
Service Bureau Representatives  
Independent Software Vendors

FROM: Clearing House Department

ADVISORY #: NP 06-17

DATE: May 10, 2006

SUBJECT: **INFORMATION UPDATE #3:** CME Housing Futures and Options—S & P Case-Shiller®  
Metro Area Home Price Indices -- **Effective May 22, 2006**

**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 22, 2006**

**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:**

<b>Futures:</b>	\$250 x Index
<b>Options:</b>	One Futures contract

**TRADING VENUE:**

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

**TRADING HOURS:**

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

**VALID CONTRACT MONTHS:**

<b>Futures:</b>	August, November, February and May
<b>Options:</b>	August, November, February and May

**INITIAL CONTRACT MONTHS:**

<b>Futures:</b>	August '06, November '06, February '07 and May '07
<b>Options:</b>	August '06, November '06, February '07, and May '07

**COMMODITY CODES/TICKER SYMBOLS:**

<b>Futures and Options:</b>	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
<b>Underlying Cash Index</b>	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:**

Futures trading shall terminate at 12:00 noon Central Time the last Tuesday of the expiration month

Options trading shall terminate at 12:00 noon Central Time the last Tuesday of the expiration month

**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 day's close in the underlying futures contract will be listed. Strike Prices at 1.00 index point intervals will be listed upon 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:**

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

**FOR FURTHER INFORMATION, CONTACT:**

cme.com Inquiries  
General Information:

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

Customer Service  
Products & Services or  
Clearing House  
Globex Control Center  
Risk Management Dept.  
Market Regulation  
Delivery Department

(800) 331-3332  
(312) 930-8213  
(312) 207-2525  
(312) 456-2391  
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(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

CUSQ6 - CUSX6					MIAQ6 - MIAX6			
CUSQ6 - CUSG7	CUSX6 - CUSG7				MIAQ6 - MIAG7	MIAX6 - MIAG7		
CUSQ6 - CUSK7	CUSX6 - CUSK7	CUSG7 - CUSK7			MIAQ6 - MIAK7	MIAX6 - MIAK7	MIAG7 - MIAK7	
BOSQ6 - BOSX6					NYMQ6 - NYMX6			
BOSQ6 - BOSG7	BOSX6 - BOSG7				NYMQ6 - NYMG7	NYMX6 - NYMG7		
BOSQ6 - BOSK7	BOSX6 - BOSK7	BOSG7 - BOSK7			NYMQ6 - NYMK7	NYMX6 - NYMK7	NYMG7 - NYMK7	
CHIQ6 - CHIX6					SDGQ6 - SDGX6			
CHIQ6 - CHIG7	CHIX6 - CHIG7				SDGQ6 - SDGG7	SDGX6 - SDGG7		
CHIQ6 - CHIK7	CHIX6 - CHIK7	CHIG7 - CHIK7			SDGQ6 - SDGK7	SDGX6 - SDGK7	SDGG7 - SDGK7	
DENQ6 - DENX6					SFRQ6 - SFRX6			
DENQ6 - DENG7	DENX6 - DENG7				SFRQ6 - SFRG7	SFRX6 - SFRG7		
DENQ6 - DENK7	DENX6 - DENK7	DENG7 - DENK7			SFRQ6 - SFRK7	SFRX6 - SFRK7	SFRG7 - SFRK7	
LAVQ6 - LAVX6					WDCQ6 - WDCX6			
LAVQ6 - LAVG7	LAVX6 - LAVG7				WDCQ6 - WDCG7	WDCX6 - WDCG7		
LAVQ6 - LAVK7	LAVX6 - LAVK7	LAVG7 - LAVK7			WDCQ6 - WDCK7	WDCX6 - WDCK7	WDCG7 - WDCK7	
LAXQ6 - LAXX6								
LAXQ6 - LAXG7	LAXX6 - LAXG7							
LAXQ6 - LAXK7	LAXX6 - LAXK7	LAXG7 - LAXK7						