



May 7, 2007

Ms. Eileen Donovan  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre, 1155 21st Street, NW  
Washington, DC 20581

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**RE: Exchange Certification of Various Amendments to Eurodollar Options regarding  
Minimum Price Fluctuations and 12.5-point Strike Listings  
Submitted per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a).  
CME Submission # 07-37.**

Dear Ms. Donovan:

Chicago Mercantile Exchange ("CME" or "Exchange") hereby certifies with the Commission amendments to the Eurodollar options regarding minimum price fluctuations and strike listings. The Exchange certifies that these actions neither violate nor are inconsistent with any portion of the Commodity Exchange Act or of the rules thereunder.

Effective May 13, 2007, certain Eurodollar options and options combination shall be eligible to trade in "quarter-tick" increments, or 0.0025 IMM index points. Options in the first two non-March quarterly months and the first two March quarterly months may trade in quarter-tick increments if the premium levels are at or below 0.05 IMM index points, or 5 ticks. Further, for options combinations consisting of options in these contract months only, the combinations may also trade in quarter tick increments if the net premium levels are at or below 5 ticks.

Prior to the amendment, options with an underlying futures contract trading in quarter-tick increments may trade in quarter-tick increments. Any options combination involving one or more of these quarter-tick eligible options may also trade in quarter-tick increments. These provisions shall remain effective following the amendment. The text of the amendment is as follows, with additions underlined.

### **Chapter 452A Options on Three-Month Eurodollar Futures**

#### **452A01.C. Minimum Fluctuations**

The price of an option shall be quoted in IMM Index points, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .01 IMM Index point (1 basis point) shall represent \$25, except for 5 Year bundle

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options as specified in Paragraph 3. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).

1. Contract Month Whose Underlying Futures Contract is the Nearest Expiring Futures Contract Month

The minimum fluctuation shall be .0025 IMM Index point (also known as one-quarter tick).

2. All Other Contract Months

The minimum fluctuation shall be .005 IMM Index point (also known as one-half tick). Trades may also occur at a price of .0025 IMM Index point (\$6.25, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.

Further, for options expiring in the nearest or second nearest March quarterly or the nearest or second nearest non-March quarterly contract months trading at a premium of no more than .05 IMM Index points, or spread and combination trades at a net premium of no more than .05 IMM Index points and consisting of options contracts involving the nearest and/or second nearest non-March quarterly months and/or the nearest and/or second nearest March quarterly months only, the options in the combination may trade in increments of .0025 IMM index points.

For the purpose of Rule 813—Settlement Prices, the minimum fluctuation shall be .0025 IMM Index point (\$6.25, also known as one-quarter tick)

3. 5-Year Bundle Options

The minimum fluctuation shall be .005 IMM Index point (\$250, also known as one-half tick).

4. MidCurve Options

The minimum fluctuation shall be .005 IMM Index point (\$12.50, also known as one-half tick). Trades may also occur at a price of .0025 IMM Index point (\$6.25, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.

For the purpose of Rule 813—Settlement Prices, the minimum fluctuation shall be .0025 IMM Index point (\$6.25, also known as one-quarter tick).

If options are quoted in volatility terms, the minimum fluctuations shall be 0.05 percent.

Also effective May 13, 2007, the Exchange shall list for trading additional 12.5-point Strikes for Eurodollar options, also known as “half-strikes”. The new listing rule shall be applicable to standard quarterly and non-quarterly options and all expirations in the Mid-Curve options. All “half-strikes” within 1.50 IMM index points of the at-the-money strike shall be listed for trading. The text of the amendment is as follows, with additions underlined and deletions bracketed and overstruck.

**452A01.E. Exercise Prices**

1. Twenty-Five Point Exercise Prices

[Unchanged]

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2. Special Listings of 12.5 Point Exercise Prices

Additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("twelve and a half point exercise prices") for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875, etc.

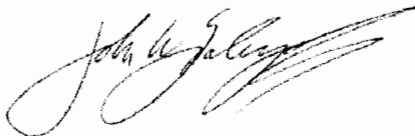
~~For Options in the March Quarterly Cycle, Options Not in the March Quarterly Cycle, and One-Year, Two-Year and Fifth-Year Mid-Curve Options, [For two nearest Options in the March Quarterly cycle and two nearest options not in the March Quarterly cycle, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of the last contract month in the same listing cycle. For the nearest options in the March Quarterly cycle and two nearest Serial options and the Weekly 1-Year MidCurve options, and the nearest options in the March Quarterly cycle 2-year and 5th Year MidCurve options, 12.5 point exercise prices shall be listed beginning on the Exchange business day following the expiration of last contract month in the same listing cycle. The] the Exchange shall list put and call options [at the] with a 12.5 point exercise price in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the exercise price [that is] nearest the previous day's settlement price of the underlying futures contract month, [and the 12.5 point exercise price above and the 12.5 point exercise price below the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract.]~~

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

*[The remainder of this Chapter is unchanged.]*

Please do not hesitate to contact Mr. Richard Co at 312-930-3227 or [rco@cme.com](mailto:rco@cme.com) if any questions arise during the processing of this submission. Please reference our CME Submission #07-37 on all future correspondence for this submission.

Sincerely,



John W. Labuszewski, Managing Director  
Research & Product Development