

# CME Globex

## Reference Guide



## Global Leadership in the Financial Marketplace

CME Group is an entity formed by the merger of CME and CBOT. We bring more than 250 years of expertise to the global marketplace, and are the largest and most diverse exchange in the world for trading futures and options. We offer the widest range of benchmark products available on any exchange that cover all major asset classes such as interest rates, equity indexes, foreign exchange, commodities, energy and alternative investments.

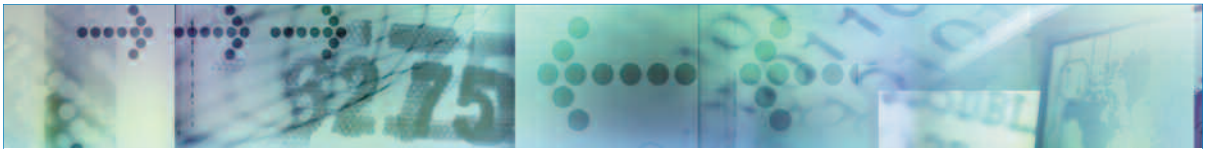
CME Clearing matches and settles trades and guarantees the creditworthiness of every transaction that takes place.

CME Group is traded on NYSE and NASDAQ under the symbol "CME."



## In This Guide

|  | PAGE |
|--|------|
| ELECTRONIC TRADING AT CME GROUP                    | 02   |
| PRODUCT OVERVIEW – WHAT’S ACCESSIBLE ON CME GLOBEX | 03   |
| ACCESSING THE CME GLOBEX PLATFORM                  | 06   |
| THE TRADING SESSION                                | 08   |
| ENTERING ORDERS ON CME GLOBEX                      | 10   |
| MARKET OPERATIONS                                  | 16   |
| CME GROUP ELECTRONIC TRADING RULES AND POLICIES    | 23   |
| APPENDIX-GLOSSARY                                  | 26   |



## Electronic Trading at CME Group

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The CME Globex electronic trading platform offers access to the broadest array of derivatives products available on any exchange, virtually around the clock to customers around the globe. CME Group electronic markets are among the most liquid in the world, enabling customers to choose from a wide range of products in thousands of possible expirations and spreads.

The platform is continuously enhanced to serve customers with high-speed, high-volume capacity, improved options capabilities and a range of new products. Functionality and capacity continue to grow dramatically to accommodate demand. Today, benefits include:

» **Performance and speed**

Trades on CME Globex are executed in less than the blink of an eye and instantly confirmed back to the customer anywhere in the world. CME Group is constantly working to reduce processing time – the platform continues to handle significantly more volume at a significantly faster pace. For example, since January 2004, average daily order volume has grown by approximately 300 percent, while trade execution time has decreased by as much as 50 percent, down to 20 to 30 milliseconds for a quote response.

» **Diverse, innovative products**

CME Globex is the first derivatives platform to offer global access to all major asset classes – interest rates, equities, FX, commodities, alternative investments and now energy. Customers can trade a range of global benchmark futures and options, including our flagship eurodollar and E-mini S&P 500 contracts, as well as new, highly innovative products such as economic derivatives, weather futures and real estate products. In 2006, CME Group began offering NYMEX Energy and Metals contracts and, most recently, COMEX Metals contracts on the CME

Globex platform, providing electronic trading access to the full spectrum of asset classes. More information on futures, options and over-the-counter products available through the CME Globex platform can be found at [www.cme.com/globexproducts](http://www.cme.com/globexproducts) and [www.nymexoncmeglobex.com](http://www.nymexoncmeglobex.com).

» **Open access and direct participation**

The platform is an open-access marketplace that allows customers to participate directly in the trading process, view the book of orders and prices for CME Group and enter their own orders. Anyone who has an account with a Futures Commission Merchant (FCM) or Introducing Broker (IB), who in turn has a CME Clearing guarantee, can trade on the platform.

» **Fairness, transparency, anonymity**

CME Group electronic markets provide an entirely level playing field for all participants. Individual retail traders, small businesses and large institutions alike see and have access to the same prices. The anonymity of traders and firms is protected electronically in all bids, offers and execution reports.

» **Innovative functionality**

CME Globex defines the cutting edge of financial trading technology, with continual enhancements to meet customers' evolving needs. Recent examples include the addition of complex options functionality for CME Group interest rate, equity, FX and commodity products, including implied pricing functionality, mass quoting and user-defined spreads.

» **Global distribution and international hubs**

Customers worldwide have access to the platform through more than 1,100 direct connections in more than 86 countries and foreign territories, with new connections being added all the time. Telecommunication hubs in Singapore, London, Amsterdam, Dublin, Milan and Paris help reduce connectivity costs, increase accessibility and deliver faster, more efficient trading.



## Product Overview – What’s Accessible on CME Globex

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### » **Market integrity**

CME Clearing, the largest derivatives clearing house in the world, guarantees all contracts traded on the CME Globex platform and ensures that all traders honor their performance obligations. The CME Globex Control Center (GCC) monitors trading activity and system performance around the clock to assure the orderly functioning of CME Group electronic markets.

Learn more about the benefits delivered by the CME Globex platform at [www.cme.com/globex](http://www.cme.com/globex).

The CME Globex platform brings diverse product solutions to customers around the world nearly 24 hours a day. These products address the business and risk management objectives of customers as varied as our products.

All electronically traded CME Group products are fully fungible (interchangeable) with CME Group floor-traded contracts. Product codes, price and data streams, however, may be distinct for the electronic and floor-listed contracts.

View a complete list of CME Group products available on the CME Globex platform at [www.cme.com/globexproducts](http://www.cme.com/globexproducts).

View a list of contract codes, up-to-date specs and expiration dates for all CME Group products at [www.cme.com/contractspecs](http://www.cme.com/contractspecs).

Click on the product names below to go to a description for that product.

- » CME Group interest rate products
- » CME Group equity products
- » CME Group FX products
- » CME Group commodity products
- » CME Group real estate products
- » CME Group weather products
- » CME Group economic derivatives
- » NYMEX and COMEX products on the CME Globex Platform
- » TRAKRS products
- » OneChicago Security Futures on the CME Globex Platform



### **CME Group Interest Rate Products**

Interest rate futures and options help to reduce the overall cost of borrowing and financing by enabling financial institutions worldwide to hedge interest rate risks. These products constitute the exchange's largest product group and include [Eurodollar futures](#), the world's most actively traded futures contract, and [Eurodollar options](#), the world's most actively traded exchange-listed interest rate options contract. CME Globex offers one of the most sophisticated systems for trading complex options on futures available from any exchange. Patent-pending enhanced functionality provides real-time prices from major market-making participants for thousands of outright and complex options spreads on Eurodollar futures.

View CME Group interest rate contracts and specifications at [www.cme.com/ir](http://www.cme.com/ir).

### **CME Group Equity Products**

Equity futures and options closely follow the price movements of major stock indexes, providing risk-management and investing opportunities through one of the world's most liquid trading environments for equity derivatives. CME Group offers the widest array of stock index futures and options, including full-sized and smaller, exclusively electronic E-mini contracts on the [S&P 500](#), [S&P MidCap 400](#) and [S&P Asia 50 Indexes](#), the [NASDAQ-100 Index](#), the [Nikkei 225 Index](#) and the [MSCI EAFE Index](#).

View CME Group equity contracts and specifications at [www.cme.com/equities](http://www.cme.com/equities).

### **CME Group FX Products**

FX futures and options provide the ability to hedge foreign currency risk, facilitating cross-border trade and commerce. As the world's largest regulated FX trading complex, CME Group offers transparent markets, guaranteed execution and central counterparty clearing

on a broad array of FX futures and options products, nearly all of which trade electronically on the CME Globex platform.

View CME Group FX contracts and specifications at [www.cme.com/fx](http://www.cme.com/fx).

### **CME Group Commodity Products**

Commodity futures and options help establish market prices and play an important role in risk management for the agricultural economy. They enable farmers and agribusinesses to manage price risks, helping them to lock in profits, enhance business planning and more effectively serve their markets. A growing audience of traders seeking to diversify their portfolios with products that are not correlated to the financial markets are turning to CME Group commodity products.

View CME Group commodity contracts and specifications at [www.cme.com/commodities](http://www.cme.com/commodities).

### **CME Group Real Estate Products**

CME Group real estate products extend to the real estate industry the same financial tools that previous CME Group innovations have brought to agriculture and finance. By providing a means of hedging exposure to real estate prices, CME Group offers investors a way to diffuse the potential impact of sustained declines in real estate prices. The first of these products, housing futures and options, launched in May 2006 and are actively trading at CME Group. Teaming with Global Real Analytics (GRA), CME Group plans to launch U.S. Commercial Real Estate futures and options based on the GRA Commercial Real Estate Indexes (CREX) in 2007. These products will have a significant impact on how institutional and retail investors hedge and gain exposure to the U.S. commercial real estate market by expanding opportunities with investment choices by geography and property type.



View CME Group real estate contracts and specifications at [www.cme.com/realestate](http://www.cme.com/realestate).

### **CME Group Weather Products**

Weather futures are another example of the long-standing CME Group tradition of innovation. CME Group created this suite of fast-growing risk-management tools for businesses adversely affected by weather – estimated to have a direct impact on nearly 30 percent of the economy. Just as professionals regularly use futures and options to hedge their risk in interest rates, equities and foreign exchange, now these tools are available for risk management of extreme or atypical weather.

View CME Group weather contracts and specifications at [www.cme.com/weather](http://www.cme.com/weather).

### **CME Group Economic Derivatives Products**

CME Group has partnered with Goldman Sachs to provide risk-management tools associated with key U.S. and European economic indicators. Economic derivatives offer a broad range of digital and vanilla options as well as forwards on the outcome of economic data including U.S. Non-farm Payrolls, the Institute of Supply Management's PMI, weekly initial jobless claims, advance retail sales, European inflation, the International Trade Balance, GDP and the Core CPI. The wide variety of instruments allows investors to tailor very precise hedges and exposures to each economic indicator.

View CME Group economic derivatives contracts and specifications at [www.cme.com/economicderivatives](http://www.cme.com/economicderivatives).

### **NYMEX and COMEX Products on the CME Globex Platform**

CME Group is the exclusive electronic trading service provider for NYMEX Energy and selected metals futures contracts, increasing access for both CME Group and

NYMEX customers to the most liquid energy and metals markets in the world. Contracts now trading on the platform include the physically delivered and cash-settled NYMEX and COMEX contracts, with implied functionality.

View a list of NYMEX and COMEX futures products available on the CME Globex platform, with contract specifications, at [www.nymexoncmeglobex.com](http://www.nymexoncmeglobex.com).

### **TRAKRS**

TRAKRS (Total Return Asset Contracts) are a line of exchange-traded, non-traditional futures developed in collaboration with Merrill Lynch & Co., Inc. These index-based contracts offer a choice of execution through futures brokers or specially registered securities brokers, trade on a regulated U.S. futures exchange, do not require a special futures account and are not leveraged for individual traders. These products provide access to the performance of the underlying TRAKRS indexes – broad-based indexes of stocks, bonds, currencies, commodities and other financial instruments – while eliminating the concerns of individual securities traders.

View current TRAKRS contracts and specifications at [www.cme.com/trakrs](http://www.cme.com/trakrs).

### **OneChicago Security Futures**

Security, or single stock, futures are contracts on individual stocks, narrow-based indexes and exchange-traded funds available from OneChicago, an electronic exchange and joint venture of CME Group and the Chicago Board Options Exchange. OneChicago security futures can be traded from either a securities or futures account and are available on both the CME Globex and the CBOEdirect platforms.

View OneChicago security futures contracts and specifications at [www.OneChicago.com](http://www.OneChicago.com).



# Accessing the CME Globex Platform

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The open architecture of the CME Globex platform provides a wide range of access solutions and extensive functionality. The platform readily accommodates changing markets, new customers and new products.

Components of the platform include the trade matching engine, an order entry interface, trading applications, a market data dissemination system, an order management tool and trading resource tools. These components all work together seamlessly to provide virtually instantaneous trade transactions.

## A Wide Range of Trading Solutions

Traders may develop a proprietary front-end application or select from a variety of available applications to execute electronic orders and receive market data directly. These applications are available from CME Group and a number of other sources, including FCMs, IBs and ISVs, and vary in the types of functionality supported. On the CME Group trading floors, traders can access CME Group electronic markets through the GALAX-C handheld electronic trading system and through third-party handheld solutions for trading FX CME Group and equity products.

Learn more about front-end trading solutions at [www.cme.com/tradingapplications](http://www.cme.com/tradingapplications).

The CME Globex Access Directory is a free resource provided to traders as a guide to the front-end solutions available for connecting to the CME Globex platform. View the current CME Globex Access Directory at [www.cme.com/globexaccessdirectory](http://www.cme.com/globexaccessdirectory).

## CME Group Solutions

### The CME Order Entry Interface: iLink

iLink provides direct access to CME Globex markets and supports all the enhanced trading functionality available on the platform. Because it is based on the industry-standard FIX 2.0 protocol, it readily supports customized trading systems for order entry,

modification and cancellation, receipt of order confirmation and fill information.

Other key features and benefits include:

- » Fault-tolerant configuration with “Active/Active” connections (primary and back-up gateways are concurrently logged in, resulting in no loss of messages) and automated failover.
- » Order routing to the trading floor via iTOPS, an extension of TOPS (Trade Order Processing System) for iLink. iTOPS maintains a common FIX order routing interface for Globex, TOPS printers and CUBS (CME Universal Brokerage System) workstations. (See [www.cme.com/itops](http://www.cme.com/itops) for more information.)

Learn more about iLink at [www.cme.com/iLink](http://www.cme.com/iLink).

### Market Data Platform

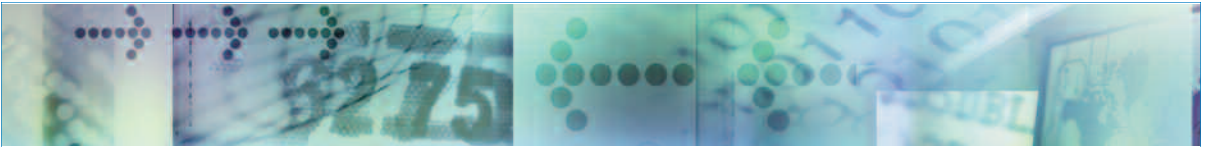
The Market Data Platform is a dual-feed multicast market data dissemination system that allows customers to integrate CME Group market data directly into their trading applications. It offers superior scalability and efficient delivery of market data messages with no middleware requirements. The Market Data Platform Lite Channel provides futures market data on a 2 Mbps connection and reduces bandwidth utilization through intelligent filters that control the quantity of messages without any delay or latency to critical price data.

For more on this interface, visit [www.cme.com/marketdata](http://www.cme.com/marketdata).

### CME EOS Trader

Customers can access the CME Globex platform’s advanced options functionality through CME EOS Trader, a CME Group-provided trading application that connects to CME Globex over a dedicated direct network or secure Internet connection. With CME EOS Trader, customers benefit from real-time prices from major market-making participants for thousands of outright contracts and complex spread combinations.





The application offers unparalleled competitive execution, as all incoming orders are exposed to the largest possible universe of potential counterparties. In addition, the system's patent-pending Request for Quote (RFQ) methodology provides a significant incentive for market makers to improve prices and generate liquidity.

Learn more about this application at [www.cme.com/enhancedoptions](http://www.cme.com/enhancedoptions).

#### **CME Globex Trader**

CME Globex Trader, a CME Group-provided front-end trading application, connects customers and provides order execution and market data capabilities for all CME Group electronic futures markets. It is installed on the customer's own PC.

- » **CME Globex Trader – Internet** provides access to the CME Group electronic futures markets over the Internet, via a secure Virtual Private Network (VPN) connection through the customer's preferred Internet Service Provider (ISP).
- » **CME Globex Trader – Direct** provides access to the CME Group electronic futures markets over a frame relay data connection between the customer site and CME Group.

CME Globex Trader provides access to CME Group future markets only. CME Globex Trader will be decommissioned by the end of 2007.

Learn more about CME Globex Trader at [www.cme.com/groupglobextrader](http://www.cme.com/groupglobextrader).

#### **CME Globex Support Tools**

##### **FirmSoft**

FirmSoft is a free, browser-based order management tool that provides real-time visibility to working and filled orders across multiple firm IDs. Accessible through the CME Group Portal (via the Internet) or through a production connection to the CME Globex platform,

FirmSoft provides important alternative access to working and filled orders during system failures. FirmSoft provides **view** and **cancel** capabilities for iLink, iTOPS and CUBS orders.

Users can view:

- » Order information, including status
- » Fill information, including partial fills
- » History
- » Details, including timestamps, cancel replace history and counterparty information

Users can also cancel an individual order, a group of orders or all working orders for which they are permitted with FirmSoft.

Learn more about this tool at [www.cme.com/firmsoft](http://www.cme.com/firmsoft).

##### **TeleSTAT – 888-214-1766**

TeleSTAT is an automated phone system that enables CME Globex customers to access trade information via telephone by using a unique, secure user ID and personal identification number (PIN). This convenient tool, the first system of its kind for futures and options exchanges, is available during CME Globex trading hours Sunday through Friday. Customers can use it to quickly and conveniently obtain:

- » Total Matched Trades by Trade Date (for the last 10 trade dates)
- » Last 10 Executions (aggregated by TON)
- » Total Matched Trades with Last 10 Executions (aggregated by TON)

Users also can request that Matched Trade Reports be sent to the user's registered e-mail address. Upcoming enhancements include adding commands to Cancel All and Status Working Orders, including Mass Quotes, by Trader ID and Account number via speed-dial access.

Learn more about TeleSTAT at [www.cme.com/telestat](http://www.cme.com/telestat).



# The Trading Session

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Trading sessions on the CME Globex platform meet customer needs around the world.

## Electronic Trading Times

Virtually all CME Group products trade electronically at some point during the day, but specific schedules vary according to product. Electronically-traded products are classified based on their electronic trading availability:

- » “Side-by-Side” contracts trade electronically and, for a portion of the day, simultaneously with the trading floor
- » “Electronic-Only” contracts trade electronically exclusively
- » “After-Hours Electronic” contracts trade electronically only after the product stops trading via open outcry

**Note:** Special holiday trading hours are announced throughout the year.

For the current list of products on CME Globex and specific availability, visit [www.cme.com/tradinghours](http://www.cme.com/tradinghours).

## Trading Sessions and States

Trading on the CME Globex platform is generally available Sunday evening through late Friday afternoon. Exact trading hours vary by product. CME Globex sessions start in the afternoon or evening and mark the beginning of the next trading day (for example, orders entered during Sunday's evening session are dated for and cleared on the following Monday). During these trading sessions, customers can enter, modify and cancel orders.

## CME Group Futures Market States

Most CME Globex futures markets cycle through five daily order entry states (with the exception of CME Group auction markets; read on for more information). During each trading session, all futures contracts transition through these predefined states:

### 1. Market Enabled/Pre-Opening

A predetermined time before the trading session opens when customers can begin entering, modifying and canceling orders for the next trading day.

### 2. Pre-Opening/No-Cancel

A predetermined time before the session opens when traders can only enter orders for the next trade date but cannot cancel, execute or modify orders.

### 3. Continuous Trading

The period of time when orders are sent and matched in real time, based on the product's trading times.

### 4. Surveillance Intervention

The period of time that begins when CME Group sends the notification that trading has ended for a group of products for that particular trade date. During this time, only order cancellation can occur.

### 5. Maintenance Period

The period of time Monday through Thursday when trading is closed on the CME Globex platform for regularly scheduled maintenance:

- » 3:15 to 5:00 p.m. Central Time (CT) for CME Group weather products
- » 4:30 to 5:00 p.m. CT for CME Group equity and NYMEX products
- » 4:00 to 5:00 p.m. CT for all other CME Group products



The ability to enter, modify or cancel orders varies according to the CME Globex predefined state, as the chart below shows:

|                                  | Order Entry | Order Modification | Order Cancellation |
|----------------------------------|-------------|--------------------|--------------------|
| <b>CME Globex Session Starts</b> |             |                    |                    |
| 1. Market Enabled/ Pre-Opening   | ✓           | ✓                  | ✓                  |
| 2. Pre-Opening/No Cancel         | ✓           |                    |                    |
| <b>Market Open</b>               |             |                    |                    |
| 3. Continuous Trading            | ✓           | ✓                  | ✓                  |
| <b>Market Close</b>              |             |                    |                    |
| 4. Surveillance Intervention     |             |                    | ✓                  |
| <b>CME Globex Session Ends</b>   |             |                    |                    |
| 5. Maintenance Period            |             |                    |                    |

### CME Group Options Market States

All options contracts transition through three unique market states during each trading session. The ability to enter, modify or cancel orders varies depending on the market state, as illustrated in the chart below:

|          | Order Entry | Order Modification | Order Cancellation |
|----------|-------------|--------------------|--------------------|
| 1. Open  | ✓           | ✓                  | ✓                  |
| 2. Pause |             | ✓                  |                    |
| 3. Close |             |                    |                    |

**Note:** All open session orders are automatically canceled at close.

### CME Group Auction Market States

Each CME Group auction market product has its own individual set of market state rules. View the states for each auction market online at [www.cme.com/edmarkets](http://www.cme.com/edmarkets).

# Entering Orders on CME Globex

The CME Globex platform supports a broad array of order functionality, offering convenience and flexibility to meet a wide variety of individual trading needs. This section summarizes the order types and order duration qualifiers available in the CME Group markets.

## Order Types

The availability of specific order types varies based on how customers access CME Globex and the products they trade, as the chart below shows.

### Supported Order Types on CME Globex – By Access Method and Product Line

| Order Types            | Commodities | Equities | FX   | Interest Rates | NYMEX /COMEX | Real Estate | Weather |
|------------------------|-------------|----------|------|----------------|--------------|-------------|---------|
| Limit                  | F, O        | F, O     | F, O | F, O           | F            | F           |         |
| Seek Limit             | T           | T        | T    | T              | T            | T           | T       |
| Market with Protection | F, T        | F, T     | F, T | F, T           | F, T         | F, T        | F, T    |
| Stop Limit             | F, T        | F, T     | F, T | F, T           | F, T         | F, T        | F, T    |
| Stop with Protection   | F, T        | F, T     | F, T | F, T           | F, T         | F, T        | F, T    |
| Minimum Quantity       | F, T        | F, T     | F, T | F, T           | F, T         | F, T        | F, T    |
| Hidden Quantity        | F, T        | F, T     | F, T | F, T           | F, T         | F, T        | F, T    |
| Request for Cross      |             |          | F, O |                |              |             |         |
| Mass Quote             | O           | O        | O    | O              |              |             |         |
| OCO                    | T           | T        | T    | T              | T            | T           | T       |
| Covereds: UDS*         | O           | O        | O    | O              |              |             |         |

**KEY:** F = Available for futures

O= Available for options

T = Available only on CME Globex Trader (Effective Q4 2006, CME Globex Trader will not provide access to options markets)

\* = Additional UDS functionality is planned for options in 2007



### **Limit**

A Limit order allows the buyer to define the maximum price to pay and the seller the minimum price to accept (the limit price). A Limit order remains on the book until the order is either executed, canceled or expires. Any portion of the order that can be matched is immediately executed.

### **Seek Limit**

A Seek Limit order has a price limit automatically assigned (up to the fifth best price level) to the order when sent and seeks to fill the entire quantity. Available only on CME Globex Trader.

### **Market with Protection**

Market orders at CME Group are implemented using a “Market with Protection” approach. Unlike a conventional Market order, where customers are at risk of having their orders filled at extreme prices, Market with Protection orders are filled within a predefined range of prices (the protected range). The protected range is typically the current best bid or offer, plus or minus 50 percent of the product’s No Bust range. If the entire order cannot be filled within the protected range, the unfilled quantity remains on the book as a Limit order at the limit of the protected range.

### **Stop Limit**

A resting Stop Limit order is triggered when the designated price is traded on the market. The order then enters the order book as a Limit order with the customer’s specified limit price. The order is executed at all price levels between the trigger price and the limit price. If the order is not fully executed, the remaining quantity of the order remains in the market. A buy Stop Limit order must have a trigger price greater than the last traded price for the instrument. A sell Stop Limit order must have a trigger price lower than the last traded price.

### **Stop with Protection**

Stop orders at CME Group are implemented using a “Stop with Protection” approach. Unlike a conventional Stop order, where customers are at risk of having their orders filled at extreme prices, Stop with Protection orders are filled within a predefined range of prices (the protected range). A Stop with Protection order is triggered when the designated price is traded on the market. The order then enters the order book as a Limit order with the limit price equal to the trigger price, plus or minus the pre-defined protected range. The protected range is typically the trigger price, plus or minus 50 percent of the No Bust range for that product. The order is executed at all price levels between the trigger and limit price. If the order is not completely filled, the remaining quantity rests in the market at the limit price. A buy Stop order must have a trigger price greater than the last traded price for the instrument. A sell Stop order must have a trigger price lower than the last traded price.

### **Minimum Quantity**

A Minimum Quantity order is executed only if a certain minimum quantity of that order can be immediately matched.

### **Hidden Quantity**

A Hidden Quantity order – also called Max Show or Iceberg – displays only a small portion of the order to the marketplace. When the displayed quantity has been filled, another portion is then displayed.

### **Request for Cross (RFC)**

An RFC is a pre-negotiated trade between two parties in which one party (preferably the seller) enters the Buy and Sell sides in the same order, with the price and quantity the same for the Buy and Sell sides. The RFC is exposed to the market and matched against new and resting orders; the remaining quantities on the Buy and Sell sides are then matched to each other.

**Mass Quote**

A Mass Quote is a bundle of two-sided, actionable quotes in one or more options markets submitted via a single message. Only designated market makers can submit Mass Quotes, and they have special protections that help mitigate their risk in matched transactions.

**OCO**

An Order Cancels Order (OCO) consists of two linked orders, typically (but not always) a Limit order and a Stop order, that both work until one order is filled, at which time the other order is canceled. This order type is supported only by CME Globex Trader.

**Covered: UDS**

A Covered: UDS order is a User-Defined Spread (UDS), composed of an underlying outright option or options spread "covered" by one or two outright futures.

**Additional Notes on Order Types**

- » Some order types require an opposing bid or offer to be present in the market before the order can be submitted. Entering one of these order types without an opposing bid or offer present will cause the order to be rejected.
- » Front-end system vendors may offer additional functionality in their applications. How the vendors choose to employ this functionality is at their discretion; however, the actual orders sent must conform to these CME Group-supported order types.



## Order Duration Qualifiers

Order duration qualifiers allow you to indicate how long the order will be valid – for example, if it should remain open for the next trading session if it isn’t executed by the end of the trading session in which it was entered. An order submitted without an order duration qualifier will be eliminated at the end of that same trading session if not filled or, if it was received between trading sessions, at the end of the following session.

As with order types, not all order duration qualifiers are available for all CME Group products. The following table provides a quick reference to the order duration qualifiers supported by product line. Definitions of each duration qualifier follow this chart.

### Order Duration Qualifiers – By Product Line

| Duration Qualifier        | Commodities | Equities | FX   | Interest Rates | NYMEX | Real Estate | Weather |
|---------------------------|-------------|----------|------|----------------|-------|-------------|---------|
| Session/Day               | F, O        | F, O     | F, O | F, O           | F     | F           | F       |
| Good 'Till Canceled (GTC) | F           | F        | F    | F              | F     | F           | F       |
| Good 'Till Date (GTD)     | F           | F        | F    | F              | F     | F           | F       |
| Fill and Kill (FAK)       | F, O        | F, O     | F, O | F, O           | F     | F           | F       |
| Fill or Kill (FOK)        | F           | F        | F    | F              | F     | F           | F       |

**KEY:** F = Available for futures  
O = Available for options

**Session/Day**

An order to buy or sell a contract during that trading day only. Session/Day orders that have been placed but not executed during regular trading hours (RTH) do not carry over to the next trade date. Similarly, Session/Day orders placed during electronic trading hours (ETH) are only executed for that trade date.

**Good 'Till Canceled (GTC)**

GTC orders, in the absence of a specific limiting designation, remain in force during RTH and ETH until executed, canceled or the contract expires.

**Good 'Till Date (GTD)**

GTD orders remain in force during RTH and ETH through the specified date unless executed or canceled.

**Fill and Kill (FAK)**

A FAK order is immediately filled in whole or in part at the specified price. Any remaining quantity is eliminated.

**Fill or Kill (FOK)**

FOK orders are canceled if not immediately filled for total quantity at the specified price or better. Note: Although this order duration qualifier is not available via the iLink interface, users may simulate an FOK order by setting the FIX tag 110 (Minimum Quantity) value equal to the FIX tag 38 (Order Quantity) value.





## Additional Functionality

The following features minimize excessive price movements on the CME Globex platform and ensure fair, competitive markets.

### Stop Spike Logic

Stop Spike Logic prevents the excessive price movements caused by cascading stop orders by introducing a momentary pause in matching (“Reserved State”) when triggered stops would cause the market to trade outside predefined values (typically the same as the No Bust ranges). This momentary trading pause allows new orders to be entered and matched against the triggered stops in an algorithm similar to market opening. Currently, Stop Spike Logic is implemented on all non-IMPLIED futures contracts.

Whenever a lead month futures instrument is placed in a Reserved State, the Options Auto-Reserve functionality automatically pauses matching in the associated options and options spreads markets. All resting Mass Quotes are canceled when the Auto-Reserve functionality is initiated. This state is maintained for a few seconds after the futures contract has resumed trading. During the reserved period, customers can submit, modify and cancel orders; Mass Quotes are rejected.

### Price Banding

To ensure fair and orderly markets, CME Group has a price-banding mechanism in place that makes all incoming electronic orders subject to price verification and rejects all orders with clearly erroneous prices. Price bands are monitored throughout the day by the GCC and adjusted if necessary. A dynamic enhanced options price-banding system has also been added for options and options spreads traded on the CME Globex platform.

For complete banding information for each CME Globex product, including information on the enhanced options price banding, visit [www.cme.com/pricebanding](http://www.cme.com/pricebanding).

### Price-Banding Multiplier

When a non-IMPLIED Lead Month and/or Secondary Month futures instrument transitions into the Reserved instrument state, the price band values are expanded by a predefined Reserve Price Band Multiplier. The Reserve Price Band Multiplier expands the default Price Band by a positive whole number multiplier (e.g., 2x or 3x) during the Reserved instrument state, to allow Limit and Stop order entry from the non-biased Buy or Sell side of the market. Allowing Limit and Stop order entry supports the creation of an Indicative Opening Price (IOP) at a Fair Market Value level, thus supporting a more accurate reopening.

### Matching Algorithms

To ensure that customers get the best possible executions at the fairest prices, the CME Globex platform employs predefined sets of matching rules – algorithms – designed to best meet the needs of market participants in each product group.

View details on algorithms used for the different product groups at [www.cme.com/algorithm](http://www.cme.com/algorithm).



# Market Operations

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## The CME Globex Control Center

The GCC provides market operations, support and customer service for all electronic trading on CME Globex. That includes handling all CME Globex inquiries and requests for assistance from CME Group-registered contacts. They cover issues related to the matching engine, order routing and market data interfaces, CME Globex Trader software and network connectivity. Additionally, the GCC also provides customers with order status and, in cases of emergency, may cancel customer orders. Areas of expertise include:

- » Product and market information
- » Block trade reporting
- » Performance troubleshooting
- » GCC notifications
- » CME Globex trader functionality
- » Product scheduling
- » Trading halt management
- » Limit move procedures
- » Error trade oversight and resolution
- » Liability claim support
- » Order status and cancellation
- » Settlement and limit price maintenance
- » Price banding oversight
- » Product state management (launching, listing, delisting, activations and expirations)

## Hours

The GCC is available 3:30 p.m. CT Sunday through 4:45 p.m. CT. Friday. For the convenience of our international customers, CME Group has established a European GCC to help handle requests during specific hours when the U.S. GCC is not available.

## Order Cancel/Status Requests

In order to process an order cancellation or status, the GCC requires CME Group-registered contacts to be able to confirm their identity (through security information) and provide:

1. User ID
2. Nature of Inquiry
3. Ticket Order Number (TON)
4. Account number
5. Instrument, buy or sell and quantity

## How to contact the GCC

**U.S.:** CME Globex Control Center (GCC) 312-456-2391

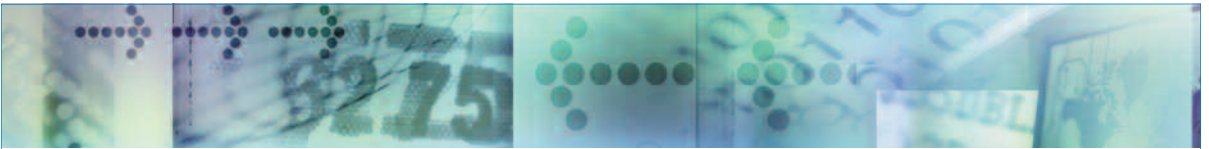
**International:** CME European Globex Control Center (EGCC) 44 20 7623 4708



### GCC Phone Requests – Quick Navigation Guide

This quick reference guide to the automated GCC telephone system is designed to help customers navigate the phone system more quickly.

| <b>Request/Inquiry</b>                    | <b>Prompt</b> | <b>Description</b>   |
|---|---------------|--|
| <b>Error Trades, Order Cancellation</b>   | Press 1       | Critical exposure areas such as error trades, order status and cancellation  |
| <b>CME Globex Technical Assistance</b>    | Press 2       | Issues relating to connectivity, service restoration, order or market data latencies and functionality issues with all CME Globex software, including FirmSoft |
| <b>CME Globex Market Assistance</b>       | Press 3       | Block Trade reporting, product information, product schedules, reports of trading irregularities   |
| <b>CME Globex Trader VPN Connection</b>   | Press 4       | VPN connectivity issues requiring immediate connection with the Genuity Help Desk  |
| <b>OneChicago SSF Issues</b>              | Press 5       | All OneChicago issues, including order status and cancellation   |
| <b>Certification Environment</b>          | Press 6       | All CME Group certification environment issues   |
| <b>CME Globex Access and Registration</b> | Press 7       | CME Globex registered contact changes, TeleSTAT access and FirmSoft administrator assistance   |



### GCC Notification System

To keep customers informed, especially during system emergencies, the GCC also provides CME Group-registered customer contacts with real-time CME Globex updates via telephone, e-mail and pager. In emergency situations, special procedures are implemented to enhance information sharing.

If CME Group determines that an event is likely to affect a significant number of customers or may require an emergency market halt, the information is disseminated via GCC Targeted Messaging, Market Data Platform administration messages, the CME Group Web site and/or Emergency Status Lines.

The GCC sends messages regarding system events through the Market Data Platform administration channel to all market data users. All customer applications that receive market data from the Market

Data Platform are required to receive and display these important market data messages. Customers trading on the CME Globex platform through an ISV should contact the ISV directly for more information on their functionality.

Registered contacts also can sign up for GCC Targeted Messaging to receive messages via e-mail, pagers, fax, mobile phones and land phones.

If markets are halted, the GCC will send regularly timed messages throughout the investigation of the event. Once the issue has been resolved, the GCC will send appropriate messages with the same methods used to announce that the event has been resolved.

In the event of a Market Halt, the GCC will also make this information available to all customers via [www.cmegroup.com](http://www.cmegroup.com) and record messages accessible at the following numbers:

| Country                | Number                       | Country             | Number           |
|------------------------|------------------------------|---------------------|------------------|
| <b>U.S. and Canada</b> | 866-9-Globex or 866-945-6239 | <b>Italy</b>        | 00 800 994 56239 |
| <b>Australia</b>       | 1800 114 215                 | <b>Japan</b>        | 00531 13 1191    |
| <b>Belgium</b>         | 00 800 994 56239             | <b>Luxembourg</b>   | 00 800 994 56239 |
| <b>China</b>           | 10800 713 1043               | <b>Netherlands</b>  | 00 800 994 56239 |
| <b>China</b>           | 10800 130 1010               | <b>Norway</b>       | 00 800 994 56239 |
| <b>Denmark</b>         | 00 800 994 56239             | <b>Portugal</b>     | 800 994 56239    |
| <b>Finland</b>         | 990 800 994 56239            | <b>Singapore</b>    | 00 800 994 56239 |
| <b>France</b>          | 00 800 994 56239             | <b>Spain</b>        | 00 800 994 56239 |
| <b>Germany</b>         | 00 800 994 56239             | <b>Sweden</b>       | 00 800 994 56239 |
| <b>Greece</b>          | 00 800 1809 945 6239         | <b>Switzerland</b>  | 00 800 994 56239 |
| <b>Hong Kong</b>       | 800 962 932                  | <b>UK (BTI)</b>     | 00 800 994 56239 |
| <b>Ireland</b>         | 00 800 994 56239             | <b>UK (C&amp;W)</b> | 00 800 994 56239 |



### Trade Cancellation Policy

If a CME Group-registered customer contact makes a mistake in entering an order, receives a fill on a trade that appears to be in error or detects a trade at what appears to be an incorrect price, they may call the GCC to request to have the trade reviewed. Customers who are not CME Group-registered contacts may not contact the GCC directly. Instead, they must inform their clearing firm of the trade and request to have a registered contact call the GCC to review the trade. Some important notes:

- » A registered contact must call the GCC within eight minutes of the error trade. A trade stands if the GCC is not notified within the eight-minute limit, although for illiquid products, a longer time may be permissible (see the CME Group Rulebook, Rule 588). The GCC also sends out a message (including the contract, time of trade, quantity and trade price) to all CME Globex registered contacts via Targeted Messaging and the quote vendor network alerting them that the trade has been questioned.
- » In order to bust (i.e., cancel) a trade, the GCC must first determine if the trade is within the No Bust range:
  - If a trade is within the No Bust range, the trade will stand and cannot be busted.
  - If a trade is outside the No Bust range, the GCC will send a message (including the contract, time of trade, quantity and trade price) to all CME Globex registered contacts via Targeted Messaging and the quote vendor network alerting them that the trade has been busted or adjusted. The GCC will also attempt to contact directly all parties involved in the trade.
- » If a party to the trade cannot be contacted or does not agree to the bust, or a third party objects to it being busted, the GCC will make the final determination if the trade will be busted.

- » **Note:** Products that trade with implied functionality on the CME Globex platform are price adjusted, not canceled.

View the full policy in the CME Group Rulebook, (Chapter 5, Rule 588), including the No Bust Ranges for each product.

### CME Globex Messaging Policy

The CME Globex Messaging Policy creates fair business guidelines by which customers are billed a surcharge for overly high message rates. Under the CME Globex Messaging Policy, each clearing member firm (active or inactive clearing member firms that maintain relationships with CME Clearing) must not exceed product-specific benchmarks, individually tailored to the valid trading strategies of each market.

CME Group calculates benchmarks based on a per-product Volume Ratio, defined as the number of messages submitted for each executed contract in a given product. CME Group compares the total number of messages to traded volume during regular trading hours (RTH) – floor trading hours – and then applies a variation percentage.

If a clearing member firm exceeds a benchmark, they will be issued two notices within a rolling thirty (30) business day period. Subsequently, a \$2,000 surcharge, per product, per session, per clearing member firm, will be billed when a benchmark is exceeded. CME Group-designated market makers are assigned different benchmarks. Clearing member firms may request reconsideration of surcharges within ten (10) business days of the event.

More information on the CME Globex Messaging Policy and the current product benchmarks is available at [www.cme.com/messagingpolicy](http://www.cme.com/messagingpolicy).



### The Liability Claim Process

Customers who take market action based upon an incorrect order status provided by the GCC or a CME Group system, service or facility may complete a Liability Claim Form to seek damages. In general, CME Group may accept liability for direct losses incurred by a customer who takes market action based upon an incorrect order status provided by the GCC or a CME Group system, service or facility. CME Group liability in such situations is subject to cumulative liability caps.

A customer who receives an incorrect status must take immediate action to limit any losses as soon as the customer knows or should have known that the order status information is incorrect. In addition, CME Group will not be liable if it provides prior notification that a CME Group system, service or facility may produce such incorrect order status information and a means to access the correct information. CME Group liability to such customer will be limited to the price at which the customer's position could have reasonably been liquidated.

If you have any questions regarding the Liability Claim Process, please contact the GCC or refer to the complete text of the policy in the [Liability Claim Form document](#) posted on the CME Group Web site.

### CME Clearing

An operating division of CME Group, CME Clearing settles and guarantees all matched transactions of CME Group contracts that take place through CME Group facilities, and also provides clearing and related services for all CBOT products. CME Clearing is one of the largest clearing organizations in the world for futures contracts, handling approximately 90 percent of all U.S. futures and options on futures volume. CME Clearing also maintains and publishes:

- » Contract specifications that include a contract's size, months traded, daily limits, minimum tick increments and other information
- » Product calendars detailing product delivery and last trade dates
- » Clearing and execution fees for CME Group members, non-members and lessees
- » Information about CME Group trading practices such as All-or-None (AON), Block Trading and Exchange for Physicals (EFP)
- » Contract listings and specifications for OneChicago, the joint venture of CME Group and CBOE that offers markets for futures on individual stocks

For more information about CME Clearing, visit [www.cme.com/clr](http://www.cme.com/clr).

### Electronic Market Data (E-data) Information

CME Group provides customers with access to electronic market data via Internet-based E-data subscription packages.

#### CME DATASUITE

CME DataSuite provides one centralized location to view all free CME Group market data products and applications – historical, delayed and real-time.

#### REAL-TIME DATA

- » **Eurodollars on Globex** This free tool provides real-time quotes on the electronic Eurodollar market – including futures, options, spreads, butterflies and packs and bundles.
- » **E-equivalents** This free application offers real-time quotes on FX futures in spot-equivalent terms.
- » **Weather-i** Customers can view real-time weather futures prices on 15 U.S. monthly cities – 10 U.S. seasonal cities and five European monthly/seasonal cities – with this tool from CME Group.



- » **E-mini Options on Futures** This free application offers real-time quotes for E-mini options on futures products: E-mini S&P 500 options, E-mini NASDAQ-100 options and E-mini S&P 500 end-of-month (EOM) options.
- » **E-livestock** This free tool provides real-time quotes (direct from CME Group) for the electronic E-livestock markets.
- » **TRAKRS Quotes** This tool enables customers to view live quotes for all TRAKRS products, non-traditional futures offered by CME Group in collaboration with Merrill Lynch & Co.
- » **Indicative Cash Quotes** With this free application, customers can view indicative cash quotes for E-mini S&P Asia 50 and E-mini MSCI EAFE futures.

#### DELAYED DATA

- » **Charts** This application provides current and historical performance of CME Group contracts with free snapshot charting.
- » **Delayed Futures and Options** Customers can get detailed delayed price information at each product and contract level.
- » **CME Globex Flash Quotes** This tool allows traders to view delayed CME Group price data for select CME Globex contracts available on one page.
- » **RTH Flash Quotes** This tool contains delayed price information for select CME Group pit-traded contracts on one page.

#### HISTORICAL DATA

- » **Daily Bulletins** This application allows customers to view a complete report of prior trading day price data for all CME Group products.
- » **Time and Sales** This application enables traders to download prior day time and sales information

for all CME Group contracts in report format.

- » **Volume Analysis** With this resource, customers can view CME Group volume by price data in the market profile style for CME Group pit-traded contracts.
- » **Monthly Volume Reports** Here, customers can download product group volume totals, exchange volume and month-end open interest reports.
- » **Daily Settlement Prices** This enables customers to view prior day settlement and end-of-day data for all CME Group contracts in report format.
- » **Historical Weather Data** This resource allows customers to download daily and historical data for U.S. and non-U.S. weather cities.
- » **Commodity Index Prices** This resource allows customers to get daily price data for indexes on feeder cattle and lean hogs.
- » **Historical FTP** With this tool, customers can gain access to a wide range of historical data files listed here in downloadable format.

#### CME DataMine

CME DataMine is a fee-based application that provides customized data requests. CME DataMine presents data based on product, format and delivery method. Request historical data, with the opportunity to choose contracts, duration, data format and delivery method (detailed costs available online) – or submit a special request for data not currently available.

Access CME DataMine online at [www.cme.com/datamine](http://www.cme.com/datamine).



## Important Contacts for Electronic Traders

| Contact Information                            | Department                    | Phone           |
|--|-------------------------------|-----------------|
| <b>General Information</b>                     | Chicago Office                | 800-331-3332    |
|  | London Office                 | 44 20 7623 2550 |
|  | Sydney Office                 | 61 2 9231 7475  |
|  | Tokyo Office                  | 813 5403 4828   |
|  | Hong Kong Office              | 852 3101 7696   |
| <b>CME Globex Development and Connectivity</b> | CME Globex Account Management | 312-634-8700    |
| <b>Market and System Inquiries</b>             | CME Globex Control Center     | 312-456-2391    |
| <b>Product Information</b>                     | CME Group Customer Service    | 800-331-3332    |





# CME Globex Electronic Trading Rules and Policies

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The following list of rules and policies is not meant to be exhaustive or complete, but is intended as a basic guide to the most common CME Globex rule or policy questions. For the text of actual rules or interpretations, please refer to the online CME Group Rulebook at [www.cme.com/rulebook](http://www.cme.com/rulebook) or the various CME Group Market Regulations referenced in this document.

## Accessing CME Globex

CME Group Rule 574 outlines certain requirements for gaining access to CME Globex. It requires that all connections to CME Globex be guaranteed by a CME Clearing member firm. All individuals entering orders in other than a clerical capacity on behalf of non-member customers must have appropriate industry registration. These orders may be entered only from designated areas on the CME Group trading floors or from the premises of an entity registered to conduct customer business. For the complete text of CME Group Rule 574, please see CME Group Rulebook, Chapter 5, Rule 574.

Additionally, any CME Clearing member firms providing CME Globex access to their customers must comply with all Credit Control requirements as set forth in [Schedule 6 of the Customer Connection Agreement](#).

## CME Globex Trade Cancellations

CME Group Rule 588 states in part that trade prices that occur within the No Bust Range, as determined by the CME Globex Control Center, will generally not be busted or adjusted. The only exception to this rule is when the GCC determines that not busting or adjusting a trade within the No Bust Range would have a material adverse effect on the market.

The GCC may review a trade based on its analysis of market conditions or a request for review by a CME Globex user. A request for review must be made as soon as possible, but will generally not be considered if

more than eight minutes has passed since the trade occurred (in certain illiquid contracts this time may be extended up to one hour after a trade).

A party responsible for an order(s) that results in a trade price adjustment or a trade bust may be liable for actual losses incurred by affected parties pursuant to the criteria outlined in CME Group Rule 588.

For the complete text of CME Group Rule 588, including the No Bust Ranges for CME Globex products, please see CME Group Rulebook, Chapter 5, Rule 588.

## Identification of CME Globex Workstation Users

CME Group Rule 576 requires that CME Globex terminal operators be identified to CME Group, in the manner prescribed by CME Group, and shall be subject to CME Group rules. For CME Group issued front-ends, such as CME Globex Trader, CME Group issues the user ID. However, for parties coming through iLink, CME Clearing member firms or their Independent Software Vendors (ISVs) will issue the workstation user ID (Tag 50 ID). The user ID must be submitted with each order sent to CME Globex. Additionally, some user IDs are required to be registered with CME Group by the CME Clearing member firm. In no event may a CME Group member or CME Clearing member firm enter or permit another to enter an order with a user ID other than the individual's own unique user ID.

CME Clearing member firms must maintain historical records of the identities of each user for at least five years. Click [here](#) to access the complete text of [CME Group Rule 576](#). Additionally, please see Regulatory Advisory RA-06-06 from September 11, 2006 (Updated Requirements for Workstation Operator Identifiers on CME Globex), which contains the most up-to-date requirements concerning compliance with [Rule 576](#).



## Rules and Requirements for Entering Orders on CME Globex

This section highlights the most commonly referenced CME Group rules and requirements for entry of orders into CME Globex. It is not intended as an exhaustive list of all such rules and requirements.

- » Every order entered into CME Globex must include an account designation, although there is an exception to the requirement of entering the actual account number if the order is entered by an eligible account manager for accounts eligible for post-trade allocation as set forth in [CME Group Rule 536.B.2](#). Also, please see [Regulatory Advisory RA-05-01](#) from February 2, 2005 (Appropriate Use of Suspense Accounts For CME Globex Order Entry, and Procedure to Record the Relay of Customer Orders to CME Globex Terminal Operators), which contains procedures for the entry, in certain instances, of suspense accounts into CME Globex in lieu of actual account numbers.
- » No person may enter an order for an account they own, an account in which they have a financial interest or an account over which they have discretion when the person is in possession of any order for another party that CME Globex is capable of accepting except as provided in CME Group Rule 539.C. Please see [CME Group Rule 530](#).
- » All customer orders must be entered into CME Globex in the order received. Please see [CME Group Rule 548](#).
- » No person may withhold or withdraw any order from the market for the benefit of any person other than the person placing the order. Please see [CME Group Rule 529](#).
- » Pursuant to [CME Group Rule 531](#), a person in possession of a customer order shall not knowingly enter into a transaction for that order opposite himself except in accordance with the provisions of [CME Group Rule 539.C](#). Please see below for a more detailed discussion of pre-execution discussions concerning CME Globex trades pursuant to CME Group [Rule 539.C](#).
- » Pursuant to [CME Group Rule 532](#) no person may disclose another person's order except in accordance with the provisions of [CME Group Rule 539.C](#).
- » No person shall knowingly participate in a transaction in which the same beneficial owner is both the buyer and seller, or accept simultaneous buy and sell orders for the same beneficial owner when such orders are for the same product and expiration month, and, for a put or call option, the same strike price. Please see [CME Group Rule 534](#).

## Automated Trading Systems

An ATS is an electronic system or computer software that is programmed to generate and send orders into CME Globex in an automated or semi-automated fashion. An ATS controller is a person who operates and/or administers the ATS. Typically, this is a person who initiates or disables particular algorithms or strategies, or adjusts the parameters of the automated program.

Regulatory Advisory RA-06-06 was issued on September 11, 2006 and provides the updated ATS policy (Updated Requirements for Workstation Operator Identifiers on CME Globex Orders entered through iLink connections). For additional information on automated trading systems, see [RA-06-06](#).



## CME Globex Record Keeping and Records Retention Requirements

For each order entered into CME Globex, CME Group Rule 536.B. requires the terminal operator to input the price, quantity, product, expiration month, Customer Type Indicator (CTI code) and account number, and, for options, put or call and strike price. Please see [Regulatory Advisory RA-04-15](#) from December 14, 2004 Harmonized CME and CBOT Customer Type Indicator (CTI) Codes, which defines each of the four CTI codes.

Each order entered into CME Globex must be entered with the correct workstation operator identifier as described earlier in this document.

Terminal operators that receive orders that are capable of and are immediately entered into CME Globex are not required to create a written, time-stamped order. Orders that cannot be entered immediately into CME Globex must be reduced to writing and include the date, time stamp, order instructions and account designation. Please see [CME Group Rule 536.B](#). CME Globex users are encouraged to print and save a listing of orders they enter into CME Globex each session.

CME Clearing member firms are responsible for maintaining or causing to be maintained for five years an audit trail for electronic orders entered into CME Globex through iLink, and must be able to display this data in a pre-approved format using terminology and field names consistent with other CME Group systems. Please see [Rule 536.B.3](#). Records required to be maintained include, but are not limited to, audit trails, order tickets, verifications, confirmations and trade logs.

[Click here to access the complete text of CME Group Rule 536.](#)

## Pre-Execution Discussions Concerning CME Globex Trades

Market participants are allowed to engage in pre-execution discussions with regard to transactions executed on CME Globex where one party wishes to be assured that a contra party will take the opposite side of the order, provided that parties adhere to the requirements and procedures in [CME Group Rule 539.C](#).

Some circumstances in which pre-execution discussions might take place are as follows:

- » A firm may wish to contact potential contra-parties on behalf of its customers or for the benefit of the firm proprietary account, in order to gain some assurance that someone will be ready and willing to take the opposite side of the order. These opposite parties could be the firm's customers or house traders, other firms' customers or proprietary traders, or individual traders.
- » An individual member may contact potential contra-parties to trade opposite his or her personal trading account.

More detailed information, including the text of [CME Group Rule 539.C](#) and a question and answer document concerning the policies and procedures concerning CME Globex pre-execution discussions are available on the CME Group Web site via the following links:

[SER-4408](#)

[RA-06-04](#)

Failure to follow CME Group rules and procedures concerning CME Globex trades that result from pre-execution discussions may result in disciplinary action. Additionally, pre-execution discussions concerning trades intended for open outcry/pit execution are not allowed under any circumstances and constitute a violation of CME Group Rule 539.



## APPENDIX – GLOSSARY

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**After-Hours Electronic Contracts** After-hours electronic contracts trade on the CME Globex platform only after they stop trading via open outcry on the trading floor.

**Application Program Interface** An application program interface (API) is a set of tools and protocols that help integrate a solution with other software programs or facilitate the customization of a user interface.

**Bust** (i.e., bust a trade) To remove a trade from the official CME Group records because the order was entered or filled in error and fell outside the No Bust range (a price range) for that product. Trades are busted according to strictly followed rules established in the CME Globex Error Trade Policy.

**CME Clearing** The division of CME Group that confirms, clears and settles all trades. CME Clearing also collects and maintains performance bond funds, regulates delivery and reports trading data.

**CME GCC** See *Globex Control Center*.

**CME GCC Notification System** The method the CME Globex Control Center (GCC) uses to send messages regarding system events to customers via e-mail, pagers, fax, mobile phones and land phones.

**CME Globex** The CME Group electronic trading platform.

**CME Globex Control Center (GCC)** The department that supports and maintains the CME Group electronic trading environment.

**CME Globex Trader** A CME Group front-end trading application that connects a customer, either directly or via the Internet, to the CME Group electronic trading platform. CME Globex Trader software is installed on the customer's own PC.

**CME Globex Trader Internet** Provides access to the CME Group electronic markets using the CME Globex Trader software over the Internet, via a secure Virtual Private Network (VPN) connection through a customer's preferred Internet Service Provider (ISP).

**CME Universal Brokerage System (CUBS)** An application that allows electronic order routing to broker stations on the CME Group trading floor.

**Continuous Trading Phase** The phase on the CME Globex platform in which orders are sent to the market for real-time matching.

**Cross Margin** The process of allowing for a reduction in performance bond (margin) requirements. This reduction is possible because risk is reduced when offsetting positions are cleared by the same or affiliated clearing members.

**CSET** See *Customer Support for Electronic Trading*.

**CUBS** See *CME Universal Brokerage System*.

**Customer Support for Electronic Trading (CSET)** The department that assists with certification and development to CME Group.

**Derivatives** Financial instruments whose value is based upon other financial instruments, such as stock indexes, interest rates or interest rate indexes.

**Electronic-Only Contracts** Electronic-only contracts trade exclusively on the CME Globex platform.

**Electronic Trading Customer Forum** A communication vehicle to update customers and solicit feedback on topics related to CME Group's electronic trading strategy over the next 6 to 12 months, including new policies, enhancements, and products. Representatives from FCMs, IBs, proprietary trading groups, ISVs and market data distributors are encouraged to attend.



**E-px (e-“packs”)** A Web-based application that provides real-time Eurodollar pack and bundle data, including prices for the 40 underlying quarterly Eurodollar futures contracts and a daily log of all executed Eurodollar spread trades.

**E-equivalents** A free Web-based application that displays real-time FX futures prices in spot equivalent terms to make FX futures markets more easily accessible to FX spot market traders.

**E-quotes** A CME Group real-time market data application that offers streaming quotes directly from CME Group for all futures products, in addition to interactive charts and OsterDowJones news.

**Error Trade** A trade that falls outside a contract’s No Bust range and is deemed to have been submitted in error. Such trades can be removed from official CME Group records, including Time and Sales information.

**FCM** See *Futures Commission Merchant*.

**FEC-ETP** See *Front-End Clearing System Electronic Trade Posting*.

**FirmSoft** A user-friendly, browser-based order management business continuity tool offered at no cost by CME Group to provide firms easy access to view and cancel their orders.

**Focus Group** A forum in which CME Group gathers valuable customer input on the future of CME Globex and electronic trading at CME Group.

**Frame Relay** Industry standard, switched data link layer protocol that handles multiple virtual circuits using HDLC encapsulation between connected devices.

**Front-End Clearing System Electronic Trade Posting (FEC-ETP)** Application that enables brokers to inquire about CME Globex net positions and spread prices. FEC-ETP is accessible from any PC with an Internet connection.

**Fungibility** Interchangeability of contracts. For example, five E-mini S&P 500 contracts are fungible with one standard-sized S&P 500 contract.

**Futures Commission Merchants (FCM)** Individuals, associations, partnerships, corporations and trusts that solicit or accept orders for the execution of a commodity transaction on and pursuant to the rules of a contract market and which accept payment from or extend credit to customers.

**Gateway** Special-purpose dedicated computer that attaches to two or more disparate networks and converts data packets from one form to another.

**Handheld** The GALAX-C electronic handheld trading system enables local traders to access CME Globex products directly from the Open outcry trading floors.

**Hedging** Offsetting price risk in a cash market by taking an equal but opposite position in the futures market. A means of protection against loss due to adverse price fluctuations.

**IB** See *Introducing Broker*.

**iLink** The order routing interface to CME Globex, based on the FIX 4.2 protocol. iLink creates a session between CME Group and the client through FIX protocol, eliminating the need for Standard Template Libraries (STLs).

**Implied Functionality** CME Globex supports two types of implied spreading: implied IN spreading and implied OUT spreading. Implied prices integrate bids and offers in both spreads and their outright contracts to provide the most liquid possible markets with the best possible prices.

**Independent Software Vendor (ISV)** A company that makes and sells software products that run on one or more computer hardware or operating systems.



**Indicative Opening Price (IOP)** The price at which a product would trade upon the open, if possible, or the opening bid or offer if no trade would occur. At predefined times prior to the opening on CME Globex, an Indicative Opening Price (IOP) is calculated as orders are entered for each product. Trading begins at an equilibrium price that falls within the overlap of the bid and offer prices. The IOP is broadcast to all CME Globex users and to the CME Group market data/ticker feed.

**Internet Service Provider (ISP)** A company that provides Internet access.

**Introducing Broker (IB)** A firm or person engaged in soliciting or accepting and handling orders for the purchase or sale of futures contracts, subject to the rules of a futures exchange, but not accepting any money or securities to margin any resulting trades or contracts. The IB is associated with a correspondent futures commission merchant and must be licensed by the Commodity Futures Trading Commission (CFTC).

**ISP** See *Internet Service Provider*.

**ISV** See *Independent Software Vendor*.

**iTOPS** Application allowing iLink customers to route orders to the TOPS Route system, receive order status and fill information.

**Local Pre-Processing** Additional functionality an ISV may provide to its customers before the order is transmitted to the CME Group electronic trading platform.

**Maintenance Period** A period of time in each CME Globex trading session in which the market remains closed and customers cannot enter, modify, view or cancel orders. All remaining day, session and expired Good 'Til Date (GTD) orders are purged during this time and CME Globex is prepared for the start of a new trading day.

**Market Data Platform** A dual-feed multicast market data dissemination system used in conjunction with the

CME order entry interface. Market Data Platform offers superior scalability and more efficient data delivery. Also available: the Market Data Platform Lite Channel, a lower-bandwidth solution.

**Market Enabled/Pre-Opening Period** The period in the CME Globex trading day in which the market is enabled and customers can begin to enter orders.

**Maximum Show Quantity** The CME Globex matching host allows customers the capability to specify whether or not the entire quantity of an order is exposed to the market by optionally defining a "maximum show" quantity. This qualifier lets a customer expose the order to the market gradually.

**No Bust Range** A range of prices used in determining if a potential error trade should be busted. The range is based on the true market price for the contract immediately before the error trade occurred, as determined by considering all relevant information, including the last trade price on the CME Globex platform, a better bid or offer price, a more recent price in a different contract month, the price of the same or a related contract established in open outcry trading, and the prices of related contracts trading in other markets (e.g., cash FX and SGX Eurodollars). A trade may not be busted if it falls within the No Bust range for that contract. No Bust ranges vary by product.

**Order Duration Qualifiers** An order eligible to be entered into the CME Globex system that does not contain an order duration qualifier will be canceled if not filled during the trading day in which it was received or, if it was received between trading days, during the next trading day. Current order durations qualifiers are: Day/Session, Good 'Till Canceled (GTC), Good 'Till Date (GTD), Fill or Kill (FOK) and Fill and Kill (FAK).

**Portal** A Web site that is or proposes to be a major starting site for customers when they get connected to the Web or that customers tend to visit as an anchor site.



**Pre-Opening/No-Cancel Phase** The phase in the CME Globex trading day in which customers are allowed to enter orders, but are prohibited from modifications and cancellations.

**Price Banding** A CME instituted mechanism to ensure a fair and orderly market. This mechanism subjects all incoming orders to price verification and rejects all orders with clearly erroneous prices. Price bands are monitored throughout the day by the GCC and adjusted if necessary.

**Protection Points** Used to define the protected range of Market and Stop orders with Protection. The protected range is typically the current best bid or offer, plus or minus 50 percent of the No Bust range for that instrument. If the entire order cannot be filled within the protected range, the unfilled quantity becomes a Limit order at the limit of the protected range.

**Side-by-Side Contracts** Side-by-Side Contracts trade simultaneously on the CME Globex platform and on the trading floor via open outcry for a portion of the day.

**Software Development Kits (SDKs)** A set of programs used by a computer programmer to write application programs. Typically, an SDK includes a visual screen builder, an editor, a compiler, a linker and sometimes other facilities.

**Surveillance Intervention Phase** A period of time in each CME Globex trading session during which the market is closed and customers are not allowed order entry or modification, although cancellation of orders is permitted. The Surveillance Intervention Period is followed by the CME Globex Maintenance Period.

**TOPS** See *Trade Order Processing System*.

**Trade Order Processing System (TOPS)** Application that provides routing of electronic orders to the CME Group floor as well as order status and fill information.

**Trading Session** The time span marked by the start and end of the period during which the CME Globex platform is in operation. The start of the CME Globex session usually occurs in the afternoon or evening, and marks the beginning of the next trading day. (For example, orders entered during Sunday's evening session are dated for and cleared on Monday). The trading day includes both the CME Globex trading session (i.e., Electronic Trading Hours (ETH)) and the trading floor open outcry session (i.e., Regular Trading Hours (RTH)), if the CME Globex and open outcry sessions overlap for a given product.

**Virtual Private Network** A private data network that makes use of the Internet's public telecommunication infrastructure, maintaining privacy through the use of a tunneling protocol and security procedures.

**VPN** See *Virtual Private Network*.

**Weather-i** A free Web-based application that provides real-time market data on all CME Group weather products.

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

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**CME Group Headquarters**

20 South Wacker Drive  
Chicago, Illinois 60606  
[cmegroup.com](http://cmegroup.com)

**CME Group Global Offices**

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**Chicago**

312 930 1000  
[info@cmegroup.com](mailto:info@cmegroup.com)

**Hong Kong**

852 3101 7696  
[asiateam@cmegroup.com](mailto:asiateam@cmegroup.com)

**London**

44 20 7796 7100  
[europa@cmegroup.com](mailto:europa@cmegroup.com)

**Sydney**

61 2 9231 7475  
[asiateam@cmegroup.com](mailto:asiateam@cmegroup.com)

**Tokyo**

81 3 5403 4828  
[asiateam@cmegroup.com](mailto:asiateam@cmegroup.com)

**Washington D.C.**

312 930 1000  
[info@cmegroup.com](mailto:info@cmegroup.com)