

INTEREST RATE PRODUCTS

# Eurodollar Options

Options on Eurodollar futures are the most actively traded exchange-listed interest rate options contract in the world.

## Overview

The options on Eurodollar futures contracts are the most actively traded exchange-listed interest rate options contracts in the world, with 2007 average daily volume in excess of 1.2 million contracts and open interest of over 21 million contracts. Its liquidity offers traders and hedgers an opportunity to take advantage of their views on the direction of U.S. interest rates.

Options on Eurodollar futures provide the opportunity to limit losses while maintaining the possibility of profiting from favorable changes in the futures prices. All options on Eurodollar futures are American-style, meaning that the options may be exercised on or before expiration.

In addition to quarterly and serial options on Eurodollar futures, CME Group lists Mid-Curve options, which are short-dated, American-style options on Eurodollar futures contracts in the second, third and fifth years of expirations. Because the options are short-dated, they offer a low-premium, high-time-decay alternative in this segment of the yield curve. Also, CME Group lists weekly expirations on the 1-Year Mid-Curve options which allow risk managers to take a view on upcoming economic releases and their effects upon U.S. interest rate markets.

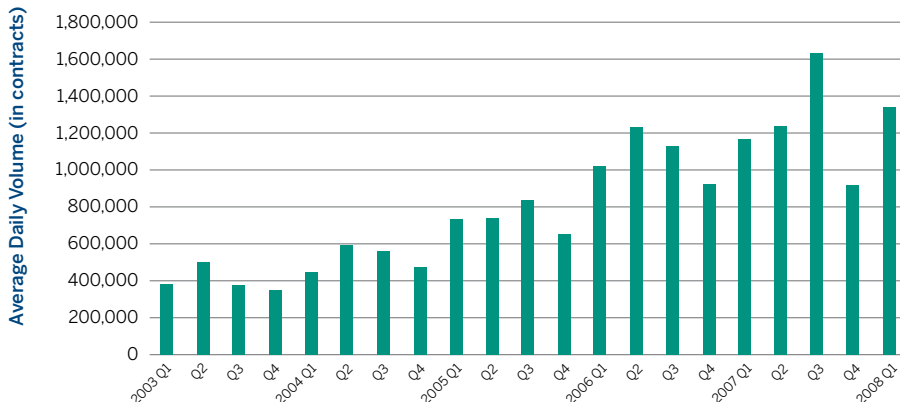
In November 2007, CME Group extended the suite of weekly Mid-Curve Eurodollar options by introducing Treasury Matched Mid-Curve

options (TOMMi), whose expirations match the longer-dated U.S. Treasury Options. The availability of TOMMi options removes the date mismatch between Treasury and Mid-Curve options, facilitates volatility spreading and creates additional spreading opportunities between Treasury, Eurodollar and over-the-counter (OTC) options.

## Benefits

- **Unsurpassed liquidity** with consistently tight bid/offer spreads and lower transaction costs.
- **Variety of trading opportunities**, including hedging, arbitrage and spreading against other contracts.
- **Price transparency** with trading in open, fair and anonymous markets.
- **Virtual around-the-clock access** on CME Globex, with transparent and competitive executions and fast, efficient markets. Also, CME EOS Trader, a web-based front-end system, provides enhanced electronic access to Eurodollar options markets.

**EURODOLLAR OPTIONS AVERAGE DAILY VOLUME**  
Q1 2003 – Q1 2008



## EURODOLLAR OPTIONS CONTRACT SPECIFICATIONS

EURODOLLAR OPTIONS	
Listed	Eight quarterly options along with two front month serial options
Underlying Contract	<p>Quarterly: Corresponding Quarterly Eurodollar futures</p> <p>Serial: Corresponding Quarterly Eurodollar futures immediately following the serial</p> <p>Example: April serial underlying contract is June futures</p>
Minimum Fluctuation	<p>Regular 0.01 = \$25.00</p> <p>Half Tick 0.005 = \$12.50 – for all options on Eurodollar futures including quarterly, except when the underlying future is the nearest monthly expiration</p> <p>Quarter Tick .0025 = 6.25 for the quarterly ED expiration when the underlying future is nearest expiring month</p> <p>Quarter Tick .0025 = 6.25 for the first two serial and first two quarterlies when the option premium is below five ticks</p>
Strike Increment	<p>.125 increments for 150 basis points from ATM</p> <p>.25 increments outside of that</p>
Last Trading Day	<p>Quarterly: Options trading shall terminate at 11:00 a.m. (London Time) 5:00 a.m. Central Time (CT) on the second London bank business day before the third Wednesday of the contract month</p> <p>Serial and Mid-Curve: Options trading shall terminate on the Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, options trading shall terminate on the immediately preceding business day</p>
Settlement/Exercise	<p>Quarterly: Cash settled</p> <p>Serial: Position in the next quarterly futures contract following the serial</p>
Trading Hours	<p>Open Outcry: 7:20 a.m. – 2:00 p.m. CT, Monday through Friday</p> <p>CME Globex Electronic Market: 5:00 p.m. – 4:00 p.m. CT, Sunday through Friday</p>
Symbols	<p>Open Outcry: ED</p> <p>CME Globex: GE</p>

For information on Eurodollar futures and options, visit [www.cmegroup.com/eurodollar](http://www.cmegroup.com/eurodollar).

# MID-CURVE, WEEKLY MID-CURVE AND TREASURY MATCHED MID-CURVE (TOMMi) OPTIONS CONTRACT SPECIFICATIONS

	MID-CURVE OPTIONS	WEEKLY MID-CURVE OPTIONS	TREASURY MATCHED MID-CURVE OPTIONS (TOMMI)
Listed	<p><b>Mid-Curve:</b> Four quarterlies along with two front month serials</p> <p><b>2-Year and 5-Year Mid-Curves:</b> Four quarterly months each</p>	Weekly expirations shall be listed such that including the serial (quarterly) Mid-Curve and TOMMi Options, five consecutive weekly expirations are available for trading	<p>Corresponding to Treasury options listing schedule. A new contract is listed the day after the front month expires</p> <p><b>U.S. Treasury Options Listings:</b> The first three consecutive contract months (two serial expirations and one quarterly expiration) plus the next four months in the quarterly cycle (Mar, Jun, Sep, Dec)</p>
Underlying Contract	Quarterly Eurodollar future that expires one, two or four years after the option	<p>Quarterly Eurodollar futures that expires one year from the nearest non-expired Quarterly Mid-Curve</p> <p><i>Example:</i></p> <ul style="list-style-type: none"> <li>• June 8, 2007 underlying futures contract is June 2008 Eurodollar</li> <li>• June 22, 2007 underlying futures contract is September 2008 because the June Mid-Curve has already expired</li> </ul>	Quarterly Eurodollar futures that expires one year from the nearest non-expired Quarterly Mid-Curve
Minimum Fluctuation	.005 = \$12.50	.005 = \$12.50	.005 = \$12.50
Strike Increment	.125 increments for 150 basis points from ATM .25 increments outside of that	.125 increments for 150 basis points from ATM .25 increments outside of that	.125 increments for 150 basis points from ATM .25 increments outside of that
Last Trading Day	2:00 p.m. CT (open outcry) 4:00 p.m. CT (CME Globex) on the Friday preceding the third Wednesday of the contract month	Weekly options trading terminates at the conclusion of trading on each Friday that is not an expiration day for a Quarterly, Serial or TOMMi Mid-Curve option	<p><b>Corresponding to Treasury Options Expiration:</b> Treasury options cease trading on the last Friday which precedes by at least two business days, the last business day of the month preceding the option month</p> <p><i>Example:</i></p> <ul style="list-style-type: none"> <li>• April '08 TOMMi expires on Thursday, March 20, 2008 because of Good Friday</li> <li>• June '08 TOMMi expires on Friday, May 23, 2008</li> </ul>
Settlement/Exercise	<p><b>Quarterly options:</b> Position in the corresponding futures contract expiring either one, two or four years after the option expires</p> <p><b>Serial options:</b> Position in the next quarterly futures contract expiring one year after the option expires</p>	Position in the corresponding futures contract	Position in the corresponding futures contract
Trading Hours	<p><b>Open Outcry:</b> 7:20 a.m. – 2:00 p.m. CT, Monday through Friday</p> <p><b>CME Globex Electronic Market:</b> 5:00 p.m. – 4:00 p.m. CT, Sunday through Friday</p>	<p><b>Open Outcry:</b> 7:20 a.m. – 2:00 p.m. CT, Monday through Friday</p> <p><b>CME Globex Electronic Market:</b> 5:00 p.m. – 4:00 p.m. CT, Sunday through Friday</p>	<p><b>Open Outcry:</b> 7:20 a.m. – 2:00 p.m. CT, Monday through Friday</p> <p><b>CME Globex Electronic Market:</b> 5:00 p.m. – 4:00 p.m. CT, Sunday through Friday</p>
Symbols	<p><b>Open Outcry:</b> E0, E2, E5</p> <p><b>CME Globex:</b> GE0, GE2, GE5</p>	<p><b>Open Outcry:</b> 1K, 2K, 3K, 4K, 5K</p> <p><b>CME Globex:</b> E01, E02, E03, E04, E05</p>	<p><b>Open Outcry:</b> E0T (E-zero-T)</p> <p><b>CME Globex:</b> TE0 (T-E-zero)</p>



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**CME GROUP HEADQUARTERS**

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

**CME GROUP GLOBAL OFFICES**

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

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

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

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

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

**Washington D.C.**  
312 930 1000  
[info@cmegroup.com](mailto:info@cmegroup.com)