



RECEIVED
C.F.T.C.

2008 AUG -1 PM 2:32

OFC. OF THE SECRETARIAT

July 31, 2008

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Exchange Certification of Options on Eurodollar Futures Calendar Spreads, CME Submission # 08-114.

Dear Mr. Stawick:

Chicago Mercantile Exchange ("Exchange") hereby certifies with the Commission the listing for trading of options on Eurodollar futures calendar spreads.

Effective on the trade date of August 18, 2008, options on Eurodollar futures calendar spreads shall be listed for trading on the CME Globex[®] electronic trading system as well as via open outcry, and will have identical trading hours as other Eurodollar options. The options shall be exercisable into an underlying calendar spread of Eurodollar futures with expirations one year apart. Similar to existing Eurodollar options, these Eurodollar calendar spread options are "American-style" options, and can be exercised on any business day up to the expiration day.

The Exchange shall list four (4) expirations in the quarterly cycle and two (2) expirations in the non-quarterly serial month cycle for trading. For quarterly calendar spread options, the nearby leg in the underlying futures calendar spread shall have the same calendar month as the option. For serial month options, the nearby leg in the underlying futures calendar spread shall be the nearest quarterly month immediately following the options contract month.

The options shall terminate on the Friday prior to the third Wednesday of the contract month. Following the termination of trading of the options, the options shall be subject to the normal "auto-exercise" procedure unless instruction to the contrary has been given by the option holder to the Clearing House.

A summary of the specification of Eurodollar Calendar Spread Options, as well as the Exchange rule governing the product shall follow in the next several pages. The calendar spread options shall be governed by all other Exchange policies governing Eurodollar options, including but not limited to error trade policies, Rule 539.C. Pre-execution communications, trading matching on CME Globex under Rule 585 and the interpretation thereunder, and block trades with the same parameters as the existing Eurodollar options.

The Exchange certifies that the rule changes comply with the Act and regulations thereunder.

Mr. David Stawick
July 31, 2008
Page 2 of 6

If you require any additional information regarding this action, please do not hesitate to contact Daniel Grombacher, at 312-634-1583, or via email at daniel.grombacher@cmegroup.com, or me. Please reference our CME Submission No. 08-114 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

**Summary of Contract Specification of
Eurodollar Futures Calendar Spread Options**

Product Description

Eurodollar Futures Calendar Spread options (CSO) are option contracts on the one-year Eurodollar futures calendar spread (i.e., "Whites" versus "Reds" futures spread). CSO options are designed to complement the CME Group's existing core franchise in Eurodollar products as a hedge against adverse price movements in the one-year Eurodollar futures calendar spread.

Underlying Futures Contract

A call option is exercisable into one (1) long nearby Eurodollar futures contract and one (1) short deferred Eurodollar futures contract (e.g., long June 2008 and short June 2009 Eurodollar futures). A put option is exercisable into one (1) short nearby Eurodollar futures contract and one (1) long deferred Eurodollar futures contract (e.g., short June 2008 and long June 2009 Eurodollar futures). For quarterly options, the nearby futures shall be the quarterly futures with the same expiration month as the option (e.g., March 2008 options shall be exercisable into the EDH8-EDH9 spread). For non-quarterly options, the nearby futures shall be the nearest quarterly futures following the expiration of the calendar spread options (e.g., January and February 2008 options shall be exercisable into the EDH8-EDH9 spread).

Listing Cycle

Two serials plus four consecutive expiries in the March, June, September, and December quarterly cycle.

Trading Hours & Venue

Same as other options on Eurodollar futures.

Quotation Convention

IMM index points. Each 0.01 (one basis point) equals \$25.

Minimum Price Fluctuation

0.005 IMM index points (one-half of one basis point), or \$12.50; for options with premium below 0.05 IMM index points (5 ticks), increment is 0.0025 IMM index points (one-quarter of one basis point), or \$6.25. When the underlying nearby futures is trading in quarter-basis point increments, the calendar spread option shall also trade in quarter-basis point increments.

Strike Prices

At-the-money strike price plus/minus 20 strike prices in integral increments of five basis points (0.05 IMM index points).

Termination of Trading

At the close of business on the Friday prior to the Third Wednesday of the contract month.

Options Exercise

In-the-money options shall settle by exercising into the underlying futures spread at the price differential determined by the option strike. For a call option with a strike price of 2.00, the option exercises into a long nearby futures and a short deferred futures at a price 2.00 lower than that of the nearby futures. For a put option with a strike price of 2.00, the option exercises into a short nearby futures and a long deferred futures at a price 2.00 lower than that of the nearby futures.

Chapter 452C

Options on Three-Month Eurodollar Futures Calendar Spreads

452C00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options of the Three-Month Eurodollar Time Deposit futures calendar spreads ("Eurodollar calendar spread options"). The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

452C01. OPTION CHARACTERISTICS

452C01.A. Contract Months, Trading Hours, and Trading Halts

Option contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any Eurodollar calendar spread option contract when the primary futures contract for that Eurodollar contract is limit bid or offered.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility of determining whether the primary futures contract is limit bid or offered.

452C01.B. Trading Unit

For the purpose of this chapter, a calendar spread of Eurodollar Time Deposit futures contract shall consist of opposing positions in a nearby futures contract month and a deferred futures contract month in Eurodollar futures. Buying a calendar spread shall mean simultaneously establishing a long position in the nearby contract month and a short position in the deferred contract month. Selling a calendar spread shall mean simultaneously establishing a short position in the nearby contract month and a short position in the deferred contract month.

The trading unit shall be an option to buy, in the case of the call, or to sell, in case of the put, a calendar spread of Eurodollar Time Deposit futures contracts.

452C01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points. Each .01 IMM Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).

The minimum fluctuation shall be .005 IMM Index point (also known as one-half tick). Trades may also occur in increments of .0025 IMM Index point (\$6.25, also known as one-quarter tick) up to a price of .05 IMM Index point.

For the purpose of Rule 813.- Settlement Prices, the minimum fluctuation shall be .0025 IMM Index point.

When the nearest contract month of the underlying Eurodollar futures calendar spread is the nearest expiring futures contract month, the minimum fluctuation of shall be .0025 IMM Index point (also known as one-quarter tick.)

452C01.D. Underlying Futures Contracts

1. One-Year Calendar Spread Options in the March Quarterly Cycle ("Year-Spread Quarterly Options")

For One-Year Calendar Spread Options that expire in the March quarterly cycle (i.e. March, June, September, and December), the underlying futures contract calendar spread shall be the spread of the futures contract for the month in which the option expires, versus the futures contract expiring on the same calendar month one year following the options expiry. For example, the underlying futures contract calendar spread for an option that expires in March 2008 is the March 2008 / March 2009

calendar spread of Eurodollar futures.

2. One-Year Calendar Spread Options Not in the March Quarterly Cycle ("Year-Spread Serial Options")

For One-Year Calendar Spread Options that expire in months other than those in the March quarterly cycle (i.e. January, February, April, May, July, August, October and November), the underlying futures contract calendar spread shall be the spread of the next futures contract in the March Quarterly cycle that is nearest the expiration of the option, versus the futures contract expiring on the same calendar month one year later than the preceding futures contract. For example, the underlying futures contract calendar spread for an option that expires in January and February 2008 is the March 2008 / March 2009 calendar spread of Eurodollar futures.

452C01.E. Exercise Prices

Exercise prices shall be stated in terms of the IMM Index for the Eurodollar Time Deposit futures contract that is deliverable upon exercise of the option and shall be a positive or negative integer multiple of .05 IMM Index points, e.g. -0.10, -0.05, 0, 0.05, 0.10, etc.

At the initial listing of One-Year Calendar Spread Options contract month, all eligible exercise prices in the range of -1.00 to 1.00 IMM Index points from the exercise price closest to the previous day's daily settlement price of the underlying calendar spread of Eurodollar futures shall be listed for trading.

Therefore, at the beginning of a new trading session, all eligible exercise prices in the range of -1.00 to 1.00 IMM Index points from the exercise price closest to the previous day's daily settlement price of the underlying Eurodollar futures calendar spread shall be added for trading, if they are not already listed for trading.

452C01.F. Position Accountability

A person owning or controlling a combination of options and underlying futures contract that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

452C01.G. [Reserved]

452C01.H. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

452C01.I. [Reserved]

452C01.J. Termination of Trading

For One-Year Calendar Spread Options in the March quarterly cycle and One-Year Calendar Spread Options not in the March quarterly cycle, trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the contract month. If the foregoing date for termination is not a business day, options trading shall terminate on the immediately preceding business day.

452C01.K. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. Government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contract shall be subject to such government orders.

452C01. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of Eurodollar Calendar Spread options.

452C02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

Corrections to option exercises may be accepted by the Clearing House after 7:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to: (1) a bona fide clerical error, (2) an unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instruction prior to the deadline.

The decision whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

452C02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

In case of a call option, the clearing member assigned an exercise notice shall be assigned a short position in the nearby futures contract month, and a long position in the deferred futures contract month, of the underlying futures calendar spread. In case of a put option, the clearing member assigned an exercise notice shall be assigned a long position in the nearby futures contract month, and a short position in the deferred futures contract month, of the underlying futures calendar spread.

The nearby futures position shall be assigned at a price equal to the current daily settlement price of the futures contract. The deferred futures position shall be assigned at a price equal to the current daily settlement price of the nearby futures contract less the exercise price of the option. For example, for an option with an exercise price of 1.00, and the current daily settlement price of the nearby futures contract at 97.56, the nearby futures contract shall be assigned a price of 97.56, while the deferred contract shall be assigned a price of 96.56 (= 97.56 - 1.00). For an option with an exercise price of -1.00, and the current daily settlement price of the nearby futures contract at 97.56, the nearby futures contract shall be assigned a price of 97.56, while the deferred contract shall be assigned a price of 98.56 (= 97.56 - -1.00). In the event the deferred contract is assigned a price over 100.00 under this convention, the clearing house may adjust the futures prices for both contract months down while preserving the assigned prices at a differential defined by the exercise price of the option.

The futures positions shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

452C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. - ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 452C)