# CME Announces Five Market Makers for CME Eurozone HICP Futures Contract Scheduled for Sept. 19 Launch

CHICAGO, Sept 14, 2005 /PRNewswire-FirstCall via COMTEX/ -- CME, the world's largest and most diversified financial exchange, today announced the selection of five leading global trading firms, Barclays Capital, IXIS CIB, Lehman Brothers, Nomura International and The Royal Bank of Scotland as market makers for its new CME Eurozone HICP futures contract, which is scheduled to begin trading on the CME(R) Globex(R) electronic trading platform on Monday, Sept. 19, 2005.

"CME is a world leader in interest rate futures and options, in part because we continue to develop innovative products to meet the diverse needs of market users," said Robin Ross, Managing Director, CME Interest Rate Products. "Our new contract is designed specifically for European market participants and fills a crucial gap in the Eurozone inflation swap market, which currently lacks short-term, inflation-linked instruments. Our market makers will help build and maintain liquidity, ensuring that end users can leverage the hedging benefits this new contract brings to the global market."

"The introduction of inflation futures is another important step forward in the development of the inflation-linked market place. These instruments will make it possible for market participants to take a larger volume of more varied positions for both trading and hedging purposes. This should both deepen and broaden the liquidity available for those wishing to take views on the future path of inflation. We are proud to be involved at the birth of this new product offering and we remain totally committed to playing a leading role in the evolution of the inflation products market," said Tim Peat, Global Inflation-Linked Product Coordinator at Barclays Capital.

"These new contracts will bring more liquidity to the inflation market, especially on the short-end of the curve, and they will also allow a better approach to seasonality," said Andre Sanchez, Head of Inflation Trading IXIS CIB.

"The new HICP futures will provide a much needed market for trading short term inflation expectations. The instrument will not only enable derivative users to hedge fixings risk, but will also allow for trading forwards on European inflation-linked bonds and could kick-start trading in inflation- linked bond options," noted Borut Miklavcic, Head of European Inflation Trading, Lehman Brothers International.

"The introduction of these futures contracts will greatly improve liquidity in the Eurozone inflation swap market. Specifically they will increase transparency of seasonality pricing and ease of hedging reset risk. As a result, the market will now open up to a wider range of participants," added David Slater, Vice President Structures Derivative Trading, Fixed Income Division, Nomura International plc.

"RBS is pleased to be working with the CME as one of the market makers for the new HICP futures contract. As the inflation markets continue their rapid growth, the development of a corresponding futures market is a natural progression. We anticipate volumes and liquidity will naturally grow over time from users looking for more hedging techniques and others looking for increased relative value opportunities," said Charles Harris, Global Head of Inflation Trading, The Royal Bank of Scotland.

HICP measures the level of prices for market goods and services consumed by households in Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. The Eurozone HICP is an aggregate of the member states' HICPs and is targeted to cover nearly 100 percent of all Eurozone household consumption. Harmonization refers to the fact that the same categories and methodology are adopted for the price index in all 12 countries.

CME Eurozone HICP futures represent inflation on a notional value of euro 1 million for a period of 12 calendar months. Similar to the pricing of CME Eurodollar futures contracts, CME HICP futures will be quoted as 100 minus the annual inflation rate in the 12-month period preceding the contract month.

For more information on this product, please visit http://www.cme.com/hicp . Real-time price information for CME Eurozone HICP futures contracts will be available at http://www.cme.com/hicpprices .

Chicago Mercantile Exchange Inc. ( http://www.cme.com ) is the world's largest and most diversified financial exchange. As an international marketplace, CME brings together buyers and sellers on CME Globex electronic trading platform and on its trading floors. CME offers futures and options on futures primarily in four product areas: interest rates, stock indexes, foreign exchange and commodities. The exchange moved about $1.6 billion per day in settlement payments in the first half of 2005 and managed $43.7 billion in collateral deposits at June 30, 2005, including $4.0 billion in deposits for non-CME products. CME is a wholly owned subsidiary of Chicago Mercantile Exchange Holdings Inc. (NYSE, Nasdaq: CME), which is part of the Russell

1000(R) Index.

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