

CME and CFETS Agree to Offer Foreign Exchange and Interest Rate Futures and Options on Futures to the Chinese Market

CHICAGO, March 10, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- CME, the world's largest and most diverse financial exchange, and the China Foreign Exchange Trade System & National Interbank Funding Center (CFETS), China's interbank foreign exchange and bond market, today announced that they have entered into a multi-year agreement under which Chinese financial institutions and investors will gain access to electronic trading of CME foreign exchange (FX) and interest rate products.

As part of the agreement, CFETS will become a CME super-clearing member, providing services for investors based in mainland China who will be trading CME interest rate and FX products. In addition, CME and CFETS will jointly provide consulting and technical services to CFETS members and staff. The terms of the agreement are subject to final approval by CFETS' and CME's governing bodies and regulatory agencies within China and the U.S.

"The signing of this agreement is a significant step in implementing our long-term Asian growth strategy," said CME Chairman Terry Duffy. "It is the result of many years of effort by Leo Melamed, our Chairman Emeritus, to help develop our Asian strategy as well as the contributions of other key individuals including Phupinder Gill, our President and Chief Operating Officer, CME Retired Chairman Jack Sandner and President Xie Duo and his colleagues at CFETS."

"On CFETS' path to accomplishing further developments in China's interbank foreign exchange market, providing valid channels of new products for our member institutions is important for our success in the future," said CFETS President Xie Duo. "We are very pleased to work with CME on our market expansion and product innovation. Our cooperation with CME provides a great opportunity for us to learn current experiences and practices associated with developing and deepening international financial markets."

"Today's agreement reflects our commitment to establishing strategic partnerships that benefit our customers worldwide," said CME CEO Craig Donohue. "Access to CME's global interest rate and FX futures and options contracts will provide Chinese institutions and investors with a new range of foreign currency denominated investment and risk management tools that complement CFETS' product offerings."

The agreement will provide CFETS members with a channel to trade CME FX and interest rate futures and options on futures on the CME Globex(R) electronic trading platform. CME has agreed to provide consulting and training programs, both in Shanghai and Chicago, for CFETS staff that will focus on operational and risk management procedures. CME will conduct training on trading and related technology and risk management for CFETS members. Both institutions will also cooperate to market CME FX and CME interest rate futures and options in China.

"This agreement is a significant advancement of the cooperation between these two institutions initiated in 2004 when Su Ning, Deputy Governor of the People's Bank of China and U.S. Treasury Secretary John Snow witnessed the signing of the initial Memorandum of Understanding," said Leo Melamed, CME Chairman Emeritus. "This agreement contributes to the deepening liquidity in the foreign currency market in China."

CFETS, an arm of the People's Bank of China, the country's central bank, is the official market for interest rate and foreign exchange products. CFETS recently implemented market reforms that modernized trading mechanisms in China. Based on the quotes of the trading institutions, CFETS is now calculating and officially publishing key benchmark rates such as the Renminbi benchmark exchange rate and Libor-like (CHIBOR) money market rates in China.

CME interest rate products, which constitute the exchange's largest product group, enable financial institutions and other customers worldwide to hedge financial risks associated with interest rate moves. CME interest rate futures and options on futures can be used to manage interest rate risks ranging from one day to 10 years. CME trades more short-term interest rate futures and options than any other exchange in the world. Last year over 559 million interest rate contracts traded at CME with an average daily volume of 2.2 million contracts.

CME offers the largest regulated FX derivatives trading complex in the world, providing users with liquid, transparent markets, guaranteed execution and central counterparty clearing risk management on 36 individual FX futures and 23 options on futures products. CME received FX Week's 2005 eFX award for the best electronic futures platform. Last year, over 51 million FX contracts with a notional value of over \$6.2 trillion traded at CME.

China Foreign Exchange Trade System (<http://www.chinamoney.com.cn>), also known as the National Interbank Funding Center, is the only foreign exchange and interbank money market in China, created and governed by the People's Bank of China (PBC, the Central Bank). Currently instruments traded at CFETS include spot and forward foreign currencies (US Dollar, Japanese Yen, the Euro currency, and HK Dollar against Chinese Renminbi), lending denominated in Renminbi as well as selected foreign currencies, governments, securities, and Repo transactions. Founded in 1994 as an outcome of forex system reform, CFETS also handles foreign exchange clearing for all the trading members in its foreign exchange market. Members of CFETS range from domestic commercial banks and their authorized branches, non-banking financial institutions such as insurance companies, securities companies, fund management companies, and financial companies, to foreign financial institutions that are authorized to handle Renminbi business. For more information on CFETS, log onto <http://www.chinamoney.com.cn> .

Chicago Mercantile Exchange Inc. (<http://www.cme.com>) is the world's largest and most diverse 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 \$1.4 billion per day in settlement payments in 2005 and managed \$45.8 billion in collateral deposits at December 30, 2005, including \$3.2 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.

Statements in this news release that are not historical facts are forward- looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, including our most recent Quarterly Report on Form 10-Q, which can be obtained at its Web site at <http://www.sec.gov> . We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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