



## CME Celebrates 25th Anniversary of Benchmark CME Eurodollar Futures Contract

### A Contract That Improved the Way Markets Work

CHICAGO, Dec 05, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- CME, the world's largest and most diverse financial exchange, today is celebrating the 25th anniversary of its benchmark interest rate futures contract, CME Eurodollar futures. This contract is the world's most actively traded short-term interest rate contract and is used by financial institutions to manage interest rate risk across the entire yield curve. When launched on December 9, 1981, CME Eurodollar futures, which are based on U.S. dollars on deposit in commercial banks located outside the United States, were the world's first cash-settled futures contract. CME Eurodollar futures today have an average daily volume of 2 million contracts a day, representing \$2 trillion in notional value, 55 percent of CME average daily volume. Since launch, more than 2.7 trillion CME Eurodollar futures contracts have traded.

"Perhaps no other contract exemplifies our spirit of innovation better than the CME Eurodollar contract," said CME Executive Chairman Terry Duffy. "As the world's first cash-settled contract, CME Eurodollar futures transformed financial markets and paved the way for future contracts, such as stock indexes and weather, which cannot be physically delivered."

"The ability to hedge interest rate risk has had a tremendous impact on the global economy as it has allowed banks and other financial institutions around the world to manage their interest rate risk in ways that otherwise would not be possible," said CME Chief Executive Officer Craig Donohue. "In addition to lowering the risk of lending, the ability to hedge interest rates lowers the cost of lending, which ultimately benefits both corporate and consumer borrowers."

On its first day of trading, 3,425 CME Eurodollar futures contracts traded. Average daily volume during 1982, the contract's first full year of trading, was 1,279 contracts, less than one percent of current average daily volume for CME Eurodollar futures, leading many market watchers to wonder if the contract would ever succeed.

"In the months after the CME Eurodollar contract debuted we faced tremendous market skepticism about the viability of this revolutionary contract, so it is especially gratifying that on its 25th anniversary it is the world's most actively traded short-term interest rate contract," said Leo Melamed, CME Chairman Emeritus. "The success of this contract is an ongoing tribute to our former Chief Economist Fred Arditti who pioneered this contract and changed the way that the world manages interest rate risk."

"Like innovations before it at CME, the Eurodollar futures contract lit a spark in the global financial marketplace," added Jack Sandner, former Chairman of the Board at CME. "We took the expertise that we had applied in our commodity markets, provided the leadership and resources, and the rest is history."

Over the years, contract volume steadily grew as CME's interest rate market grew in tandem with the over-the-counter interest rate market. In 1984, CME entered into a Mutual Offset System agreement, with the Singapore Exchange, which allowed traders to open a futures position on one exchange and liquidate it on the other, and thereby manage their overnight risk. Options on CME Eurodollar futures debuted in 1985. In 1992, CME Eurodollar futures were offered for overnight trading on the CME Globex(R) electronic trading platform and moved to side-by-side trading in 1999. By 2004 CME Eurodollar futures traded more than one million contracts a day, making it the world's most actively traded interest rate contract, a position it still holds today. Today more than 85 percent of CME Eurodollar futures trade electronically.

For more information on CME Eurodollars futures, please visit <http://www.cme.com/eurodollars> .

CME ( <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 the CME Globex(R) electronic trading platform and on its trading floors. CME offers futures and options on futures in these product areas: interest rates, stock indexes, foreign exchange, agricultural commodities, energy, and alternative investment products such as weather, real estate and economic derivatives. CME is a wholly-owned subsidiary of Chicago Mercantile Exchange Holdings Inc. (NYSE, Nasdaq: CME), which is part of the Russell 1000 (R) Index and the S&P 500(R) Index.

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