

## INTEREST RATES

# Express your views with Interest Rate futures and options



Capitalize on shifts in the yield curve, take advantage of interest rate movements, or anticipate changes in monetary policy.

With interest rates in flux and the Treasury yield curve shifting, CME Group interest rate markets offer trading opportunities in the U.S. dollar-denominated interest rate market. Interest Rate futures and options may provide active traders with the ability to capitalize on shifts in the yield curve, speculate on the direction of interest rates, or find profit opportunities in changes in monetary policy. As the world's marketplace for trading short-, medium- and long-term interest rate derivative products, CME Group exchanges let you enjoy the unmatched flexibility of trading in a deeply liquid marketplace, along with the security of CME Clearing and its \$8 billion in financial safeguards.

# Cover All Major Benchmarks

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Our Interest Rate markets comprise a complete array of futures and options based on the most widely followed U.S. interest rate benchmarks: U.S. Treasuries, 30-Day Fed Funds and Eurodollars.

## Take Advantage of Interest Rate Movements

By taking outright long or short positions, interest rate futures and options allow you to express your opinion on the direction of U.S. interest rate benchmarks. For example, if you predict that interest rates are about to rise, selling futures may provide a way to take advantage of the potential fall in bond prices. Conversely, if you expect interest rates to decline, you might decide to buy futures to benefit from an anticipated rise in bond prices.

## Capitalize On Yield Curve Shifts

Volatility in the U.S. Treasury yield curve can create interesting trading opportunities, and U.S. Treasury futures may be used to design a variety of strategies to take advantage of them. Spreading 2-Year, 3-Year, 5-Year, 10-Year, and 30-Year Treasury futures allows you to capitalize on your yield curve expectations quickly and for relatively low transactions costs. And with implied Intercommodity spread functionality on CME Globex, taking a position on your yield curve outlook is easier and more efficient than ever.

## Anticipate Changes In Fed Monetary Policy and Inflation

30-Day Fed Funds and Eurodollar futures allow you to take a position on actions by the Fed at upcoming FOMC (Federal Open Markets Committee) meetings. Both of these contracts have long been recognized as effective means of tracking consensus on changes in Federal Reserve policy. In addition, Eurodollar futures may also be used to speculate on inflation expectations.

# Key Benefits

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## Transparency

CME Group offers an entirely level playing field for all participants. Individual retail traders, small businesses and large institutions alike see and have access to the same prices with complete anonymity in all bids, offers and execution reports.



## Flexibility

Because our deeply liquid marketplace is comprised of a diverse range of participants, it is easier to move in and out of positions, allowing you to change trading direction quickly as new market information arrives.



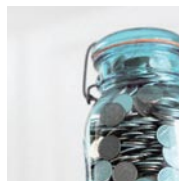
## Security

CME Clearing guarantees the creditworthiness of every counterparty credit and segregates all funds. So you can trade with confidence and certainty, knowing that your account has the protection of a system that has enjoyed more than 100 years without a single default.



## Cost-effectiveness

Liquid and transparent markets mean significantly lower transaction costs, which may increase your profit potential. Moreover, spread trades may offer reduced risk and margin expenses.



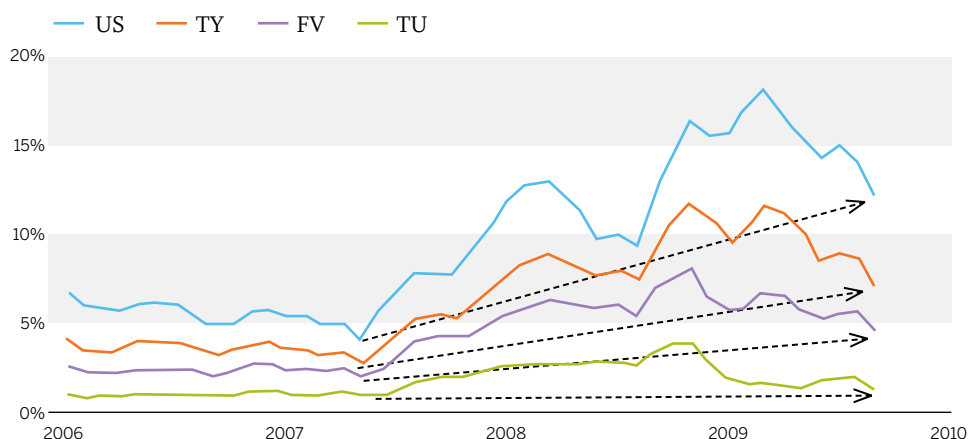
## Liquidity

Large transaction volume and growing open interest provide unparalleled market breadth, depth and immediacy of execution.



# U.S. Treasury Futures

Monthly Historical Volatility (3-Month Moving Average)



## Highlights of Specifications of Select Interest Rate Futures Contracts\*

	2-Year T-Note Futures	5-Year T-Note Futures	10-Year T-Note Futures	30-Year T-Bond Futures	30-Day Fed Funds Futures	Eurodollar Futures
Contract Size	\$200,000	\$100,000	\$100,000.00	\$100,000.00	\$5,000,000	\$1,000,000
Tick Size	1/4 of 1/32 = \$15.625	1/4 of 1/32 = \$7.8125	1/2 of 1/32 = \$15.625	1/32 = \$31.25	Near month: 0.0025 = \$10.4175 All others: 0.0050 = \$20.835	Near month: 0.0025 = \$6.25 All others: 0.0050 = \$12.50
Contract Months	First 5 quarterly months	First 5 quarterly months	First 5 quarterly months	First 5 quarterly months	First 24 calendar months	First 40 quarterly months (10 yrs)
Last Trading Day	Last business day of the calendar month	Last business day of the calendar month	Seventh business day preceding the last business day of the delivery month	Seventh business day preceding the last business day of the delivery month	Last business day of the delivery month	The 2nd London bank business day prior to the 3rd Wednesday of the contract expiry month
Settlement/Delivery	Federal Reserve book-entry wire-transfer system	Federal Reserve book-entry wire-transfer system	Federal Reserve book-entry wire-transfer system	Federal Reserve book-entry wire-transfer system	Cash settled against the average daily Fed Funds overnight rate for the delivery month	Cash settled to 100 minus the British Bankers' Association survey of 3-month U.S. Dollar LIBOR on the last trading day
Trading Hours All times listed in Chicago Time	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:30 p.m. – 4:00 p.m. S – F	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:30 p.m. – 4:00 p.m. S – F	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:30 p.m. – 4:00 p.m. S – F	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:30 p.m. – 4:00 p.m. S – F	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:30 p.m. – 4:00 p.m. S – F	Open Outcry: 7:20 a.m. – 2:00 p.m. M – F CME Globex: 5:00 p.m. – 4:00 p.m. S – F
Ticker Symbols	Open Outcry: TU CME Globex: ZT	Open Outcry: FV CME GLOBEX: ZF	Open Outcry: TY CME Globex: ZN	Open Outcry: US CME Globex: ZB	Open Outcry: FF CME Globex: ZQ	Open Outcry: ED CME Globex: GE
Exchange Rules	CBOT	CBOT	CBOT	CBOT	CBOT	CME

\*Options on these futures contracts are also available

To learn more about trading strategies for Interest Rate futures and options, visit [www.cmegroup.com/resources](http://www.cmegroup.com/resources).



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Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

All references to options refer to options on futures.

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