

# S&P/Case-Shiller Home Price Indices Futures and Options

**OVERVIEW** S&P/Case-Shiller Home Price (CSI) Indices futures and options are the first comprehensive financial tools that make it possible to trade U.S. real estate values. These products provide opportunities for protection or profit in up or down markets, and extend to the housing industry the same tools for risk management and investment that previous CME Group innovations have brought to agriculture and finance.

## CONTRACTS

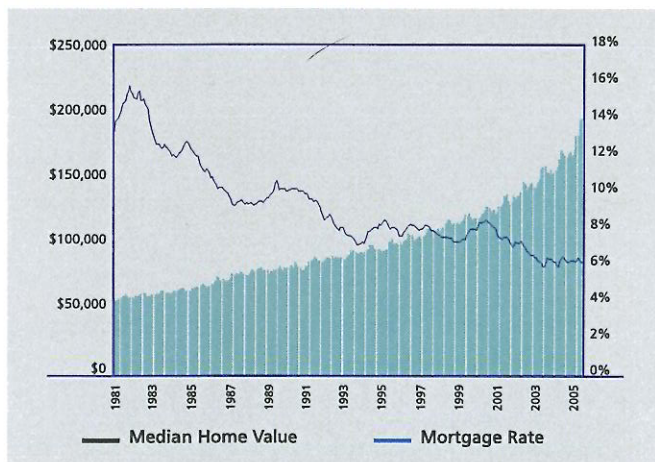
CSI Indices futures and options are cash-settled to a weighted composite index of U.S. real estate prices, as well as to specific markets in 10 major U.S. cities:

<b>Boston</b>	<b>Miami</b>
<b>Chicago</b>	<b>New York</b>
<b>Denver</b>	<b>San Diego</b>
<b>Las Vegas</b>	<b>San Francisco</b>
<b>Los Angeles</b>	<b>Washington, D.C.</b>

## BENEFITS OF TRADING CSI INDICES FUTURES AND OPTIONS

- » A new means of risk transfer to a broad range of investors
- » Low cost exposure to real estate values without direct ownership of properties
- » Access to a unique asset class
- » Opportunity to profit from a movement in housing prices
- » A way to make trading in real estate a short-term and liquid investment

## HOME PRICES VS. MORTGAGE RATES



## MARKET PARTICIPANTS

Businesses whose profits or losses are related to any area of the housing industry

- » **Property and real estate developers**
- » **Banks**
- » **Mortgage lenders**
- » **Home suppliers**

Businesses seeking exposure to an uncorrelated asset class

- » **Hedge funds**
- » **Commodity trading advisors (CTAs)**
- » **Pension funds**
- » **Foreign investors**

# S&P/Case-Shiller Home Price Indices Futures and Options: Contract Specifications

	Futures	Options on Futures
<b>Ticker Symbol</b>	Composite <b>CUS</b> , Boston <b>BOS</b> , Chicago <b>CHI</b> , Denver <b>DEN</b> , Las Vegas <b>LAV</b> , Los Angeles <b>LAX</b> , Miami <b>MIA</b> , New York <b>NYM</b> , San Diego <b>SDG</b> , San Francisco <b>SFR</b> , Washington, D.C. <b>WDC</b>	
<b>Contract Size</b>	Each contract shall be valued at \$250 times the CSI Index, e.g., if the value of the index for Los Angeles was reported at 267.74, the contract value equates to \$66,936 (= \$250 x 267.74)	One futures contract
<b>Minimum Price Fluctuation (Tick)</b>	Minimum price fluctuation or "tick" shall be 0.20 index points (\$50.00)	Minimum price fluctuation or "tick" shall be 0.10 index points (\$25.00)
<b>Trading Hours</b> All times listed in Chicago Time (CT)	Offered exclusively on the CME Globex electronic trading platform Sundays through Thursdays, 5:00 p.m. – 2:00 p.m. (CT) the next day	Traded via open outcry in GSCI pit Mondays through Fridays, 8:00 a.m. – 2:00 p.m. (CT)
<b>Contract Months</b>	Contract months extending out 18 months in the future shall be listed on a quarterly cycle in the contract months of February, May, August and November; contract months extending out 19 to 36 months into the future shall be listed on a bi-annual schedule in the contract months of May and November; and contract months extending out 37 months to 60 months into the future shall be listed on an annual schedule in the contract month of November	
<b>Cash Index Release Schedule</b>	8:00 a.m. CT (9:00 a.m. EST) on the last Tuesday of every calendar month. For example, the March 2006 index values will be released on May 30, 2006. These index values will reflect transactions recorded over a 3-month period January 2006 to March 2006	
<b>Last Trading Day</b>	Trading in expiring contract ceases at 2:00 p.m. CT (3:00 p.m. EST) on the business day preceding the index release day for the contract month	
<b>Composite Index Weights</b>	Boston 7.4122%; Chicago 8.8868%; Denver 3.6825%; Las Vegas 1.4802%; Los Angeles 21.1620%; Miami 4.9862%; New York 27.2390%; San Diego 5.5134%; San Francisco 11.7879%; Washington, D.C. 7.8500%	
<b>Cash Settlement</b>	Cash settled on the day the CSI Indices are released. For example, the May 2006 LAX contract will settle to the March 2006 CSI Los Angeles Index scheduled for release on May 30, 2006	European-style, exercised into the associated futures contract
<b>Strike Prices</b>	NA	At 5 index point intervals above and below previous day's close in underlying futures <sup>1</sup>
<b>Calendar Spreads</b>	Calendar spreads for all 10 regions and the composite	NA
<b>Regional Spreads</b>	All possible pairs of regions/composite for each contract month	NA
<b>Position Limits</b>	5,000 contracts	

<sup>1</sup> Strikes at 1 index point intervals will be listed on demand.

For more information on S&P/Case-Shiller Home Price Indices futures and options, please visit [www.cme.com/housing](http://www.cme.com/housing).

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