

E-MINI

STOCK INDEX FUTURES & OPTIONS



The fastest growing products in the history of Chicago Mercantile Exchange Inc., the E-mini S&P 500[®] and E-mini Nasdaq-100[®], have quickly proven themselves to be useful, versatile financial tools.

Pioneered by CME and launched, respectively, in 1997 and 1999, these electronically-traded products offer unique opportunities for risk management and market exposure. At one-fifth the size of their standard counterparts, the S&P 500 and Nasdaq-100 futures contracts, these mini contracts have found an audience among professional and individual investors alike. Extraordinary liquidity and virtual around-the-clock availability add to their trading appeal.

The success of these products has established CME as *The Index Exchange*, with more than 94% market share of all domestically-traded stock index futures and options on futures. Open interest in CME's index futures complex totals in excess of \$182 billion, making it the world's most liquid trading environment for stock index products.

We invite you to learn more about these extraordinary tools.

Why Trade CME E-mini Stock Index Futures and Options?

Trading CME E-mini stock index futures offers investors many advantages:

Exposure to the leading U.S. Stocks — Investors now can have exposure to the S&P 500 and Nasdaq-100 Indexes with just one trade.

Affordability — E-mini stock index futures require one-fifth the margin of the standard S&P 500 and Nasdaq-100 futures contracts, enabling investors to control a large basket of stocks for a fraction of the cost.

Opportunity — These futures contracts provide a variety of investment opportunities, including: the choice of taking a bullish or bearish position; the ability to increase or hedge portfolio exposure; and the ability to spread against other CME index products.

Accessibility — E-mini stock index futures provide investors with online opportunities to take advantage of market moves virtually 24 hours a day.

Integrity — CME customers and members are protected by default on futures and options contracts by the Exchange's sophisticated risk management and surveillance processes. The CME Clearing House acts as guarantor to each of its clearing members, thus ensuring the integrity of all trades. CME's system has proven to be outstandingly effective, even under the most stressful market conditions.

About the Underlying Stock Indexes

The S&P 500 Index

The S&P 500 Index has long been the benchmark by which professional money managers measure portfolio performance. The Index is based on the stock prices of 500 large-capitalization companies and represents a broad cross-section of the U.S. equity market, including common stocks traded on the New York Stock Exchange, American Stock Exchange and the Nasdaq National Market System (see table). The Standard & Poor's Corporation designed and maintains the S&P 500 to be an accurate proxy for a diversified equity portfolio.

Exchange	Number of Companies
NYSE	428
AMEX	2
NASDAQ	70

As of 12/29/00

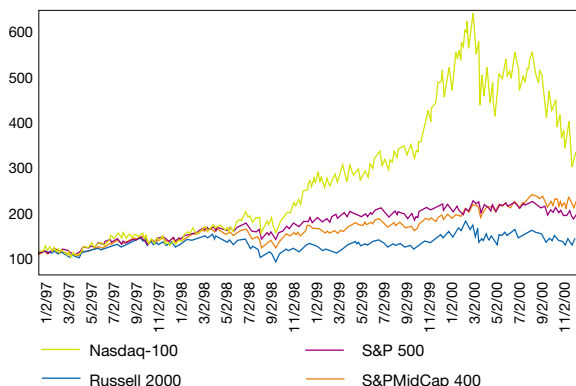
The S&P 500 Index represents about 75% of total domestic U.S. equity market capitalization. S&P identifies important industry sectors within the U.S. equity market, approximates their relative importance in terms of market capitalization and then allocates a representative sample of stocks within each sector of the S&P 500.

The Index is capitalization-weighted (shares outstanding x stock price); each company's influence on Index performance is directly proportional to its market value. The daily Index values reported in the media are exclusive of dividend income, i.e., they reflect only price action of the underlying component stocks. (You can find a complete list of the stocks included in the S&P 500 Index on the Internet at www.spglobal.com.)

Nasdaq-100 Index

The Nasdaq-100 Index is based on the 100 largest non-financial stocks listed on the Nasdaq Stock Market. The Index was created in 1985 with a base value of 250 on February 1 of that year. At the close of business on December 18, 1998, the Index methodology was changed from a capitalization-weighted index to a “modified capitalization weighting” index to provide for greater diversification. To ensure that the Index is diversified, the Nasdaq Stock Market will evaluate the Nasdaq-100 Index quarterly. The Nasdaq Stock Market calculates and disseminates the Index under the ticker symbol NDX every 15 seconds during the trading day. You can find a complete list of the stocks included in the Nasdaq-100 and their weightings on the Internet at www.nasdaqtrader.com.

Relative Performance: January 1997 - December 2000

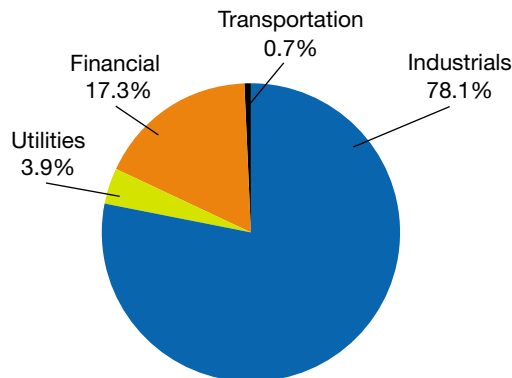


Index Comparisons

Comparing sector breakdowns

S&P 500 Index Industry Sector Breakdown

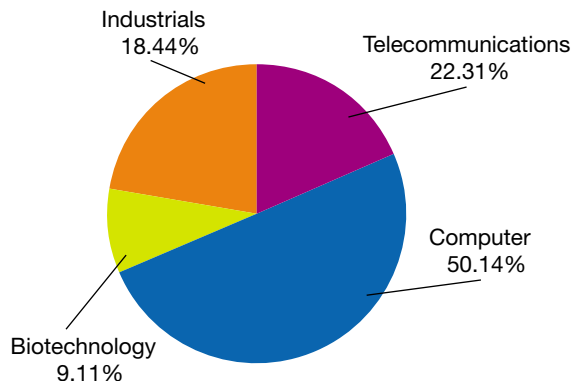
Source: Standard & Poor's



As of 12/29/00

Nasdaq-100 Index Industry Sector Breakdown

Source: Nasdaq Stock Market



As of 12/29/00

E-mini Stock Index Futures: What They Do, How They Work

E-mini stock index futures contracts are legally binding agreements to buy or sell the cash value of the S&P 500 or Nasdaq-100 Index at a specific future date.

Each of the E-mini stock index products has a different value. To determine a contract's value, you need to know its multiplier and the current index futures level.

1. The E-mini S&P 500 multiplier is \$50.

For example, if the S&P 500 futures index level is 1300, multiply that by \$50.

$$1300 \times \$50 = \$65,000$$

If you buy one E-mini S&P 500 contract at 1300, you are trading an instrument with an underlying value of \$65,000.

2. The E-mini Nasdaq 100 multiplier is \$20.

For example, if the Nasdaq-100 index level is 2100, multiply that by \$20.

$$2100 \times \$20 = \$42,000$$

If you buy one E-mini Nasdaq-100 contract at 2500 you are trading an instrument with an underlying value of \$42,000.

Tracking Price Movements

Futures contracts move in minimal increments called "ticks," and the value of the tick is different for each product.

The E-mini S&P 500 futures tick value is .25 index point, or \$12.50 per contract. Thus:

- A move of one tick, from 1300.00 to 1300.25, equals \$12.50.
- With this move, a long (buying) position would be credited \$12.50, and a short (selling) position, debited \$12.50
- A move of one entire E-mini S&P 500 futures index point— the equivalent of four ticks — would equal \$50, and so on.

The E-mini Nasdaq-100 futures tick value is 0.50 index point, or \$10 per contract. Thus:

- A move of one tick, from 2100.00 to 2100.50, equals \$10.
- With this move, a long (buying) position would be credited \$10, and a short (selling) position debited \$10.
- A move of one entire E-mini Nasdaq-100 futures index point — the equivalent of two ticks — would equal \$20, and so on.

Stock Index futures are cash settled, just like their standard contract counterparts; there is no delivery of the individual stocks. Likewise, E-mini stock index futures' daily settlements and quarterly expirations use the same price as the standard Index futures. Identical daily settlement prices allow E-mini contracts to benefit from the liquidity of the larger contracts.

Like the standard index futures contracts which are settled using a Special Opening Quotation (SOQ), all E-mini stock index futures positions are settled in cash to the respective standard contract on the third Friday of the quarterly contract month. The final settlement price for S&P 500 futures is based on the opening prices of the component stocks in the Index or on the last sale price of a stock that does not open for trading on the regular scheduled day of the final settlement. The final settlement price for Nasdaq-100 futures is based on a five-minute volume-weighted average of each component stock's opening prices on expiration day.

CME E-mini Stock Index Contract Symbols

Both the E-mini Nasdaq-100 and E-mini S&P 500 contracts trade in quarterly time frames, with March, June, September and December expirations. CME uses the following ticker symbols to distinguish each contract and each month. However, quote vendors may display these products differently. Before you trade, talk to your vendor or broker to learn what ticker symbols they use.

E-mini Stock Index Symbols

E-mini S&P 500 E-mini Nasdaq-100
ES NQ

Month Symbols

Mar	Jun	Sep	Dec
H	M	U	Z

Real-time E-mini S&P 500 and E-mini Nasdaq-100 Prices!

You can view real-time E-mini stock index futures prices, such as best bid, best offer and the size of best bid and best offer, on CME's web site — www.cme.com.

Options on E-mini S&P 500 Futures

Options are available on E-mini S&P 500 futures contracts, and the underlying instrument for each E-mini S&P 500 options contract is one futures contract. The dollar value of an option contract is \$50 x the premium, or price, of the option. For example, if the September 1300.00 call has a premium of 7.00, the dollar value of the E-mini S&P 500 option would be \$350 (\$50 x 7.00). Strike, or exercise, prices for E-mini S&P 500 options are in 5-point increments (e.g., 1300.00, 1305.00, 1310.00) for the two nearby contracts, and increments of 10 points (1300.00, 1310.00, 1320.00) for the deferred months. There is a wide range of strike prices for both put and call options, so you can precisely tailor a strategy according to your risk/reward outlook with or without taking a futures position.

How do options expire? Like CME's S&P 500 options contract, E-mini S&P 500 quarterly cycle options are settled to the same SOQ on the third Friday of the contract month. Non-quarterly, or serial, options (i.e., Jan, Feb, Apr, etc.) stop trading on the third Friday of the contract month and settle to the settlement price of the nearest futures contract. For example, let's say you hold a November E-mini S&P 500 option. You may exercise the option and establish a futures position in the December futures at the strike price.

Trading the E-Mini Stock Index Futures — Case Example

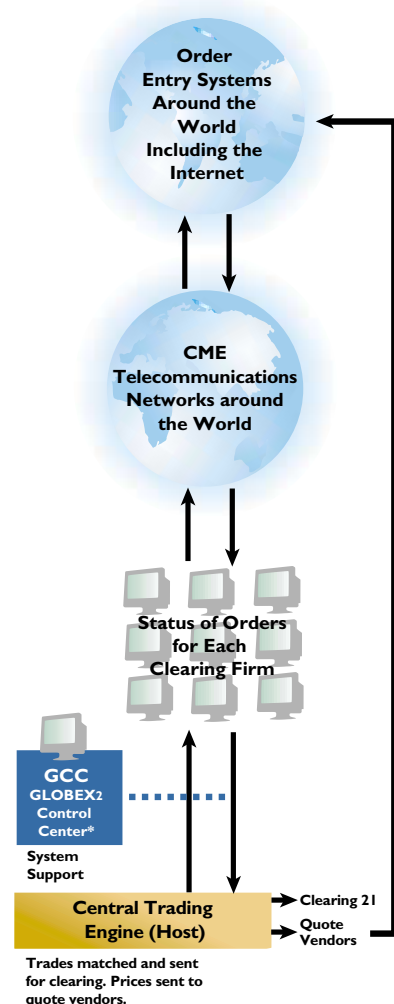
John is bullish on the stock market, especially technology stocks. He has been following daily activity through financial newspapers and news stations. He wants to become involved in the stock market; however, he has only \$10,000 to invest. According to his daily newspaper, the Nasdaq-100 is moving, and he wants to be a part of it. John has traded stocks before, but has decided that picking stocks is too difficult and time consuming. And with minimal initial capital, he believes he would have to limit his investment to just one or two individual stocks. John could also buy a mutual fund; however, he would miss out on the price movements within each trading day.

A better alternative for a bullish investor like John might be long E-mini Nasdaq-100 futures. Up to this point, Nasdaq-100 futures have been out of his reach, with the minimum capital requirement far exceeding his total planned investment. Here is his opportunity. John can access these leading technology stocks using the cost-efficient E-mini Nasdaq-100 Index futures — and his investment dollars will go to work immediately. Now John is participating in high-tech stocks, via index futures, at a fraction of what he would have otherwise paid to own the stocks themselves.

A Trading Process Created for the Investor

The index futures and options trading world never sleeps. At any time of the day or night someone, somewhere, is trading indexes. You too can participate in this high-energy arena. E-mini stock index futures are available for trading nearly 24 hours a day (beginning at 5:30 p.m. Sunday).

Trading on GLOBEX²



Tracking Your Trades

"What's the current price?" is the first and most important question you need to answer when trading. Price information is available from:

- Brokers
- Information services, such as Reuters, Dow Jones Markets, Bloomberg
- Major daily and weekly newspapers
- Computer information services, such as the CME's home page on the World Wide Web: www.cme.com
- Private advisory services
- Financial programs on television and radio

How to Read E-mini Stock Index Futures Prices

Finding futures prices is fairly easy. But how do you decipher what you see or hear? Although the amount of information published by a source often differs, the information will look something like the following table.

	Futures					\$20 times index		Open Interest
	Open	High	Low	Settle	Change	Lifetime High	Low	
E-mini Nasdaq-100 INDEX (CME)								
Sept	2401.50	2403.00	2397.50	2400.00	-10.80	2404.00	2371.50	10,200
Dec	2406.00	2412.50	2404.00	2404.00	-9.50	2420.00	2392.00	400
Mar	2410.50	2416.00	2422.00	2410.00	-10.00	2440.00	2400.00	102

Est vol 80,172; vol Fri 82,269; open int 85,272, -780.

For Further Information

Chicago Mercantile Exchange Inc. has several publications that explain stock index futures and options on futures. To obtain the following, and other publications, call CME at 1-800-331-3332 or contact your broker. Information is also located on the Internet at www.cme.com.

- *CME E-mini Stock Index Futures: A Powerful Way to Trade the Markets* (brochure)
- *How to Get Started Trading CME Index Products* (brochure)
- *Using S&P 500 Stock Index Futures & Options* (strategy paper)
- *U.S. Equity Index Futures and Options Information Guide 2001* (90 pp. booklet)

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