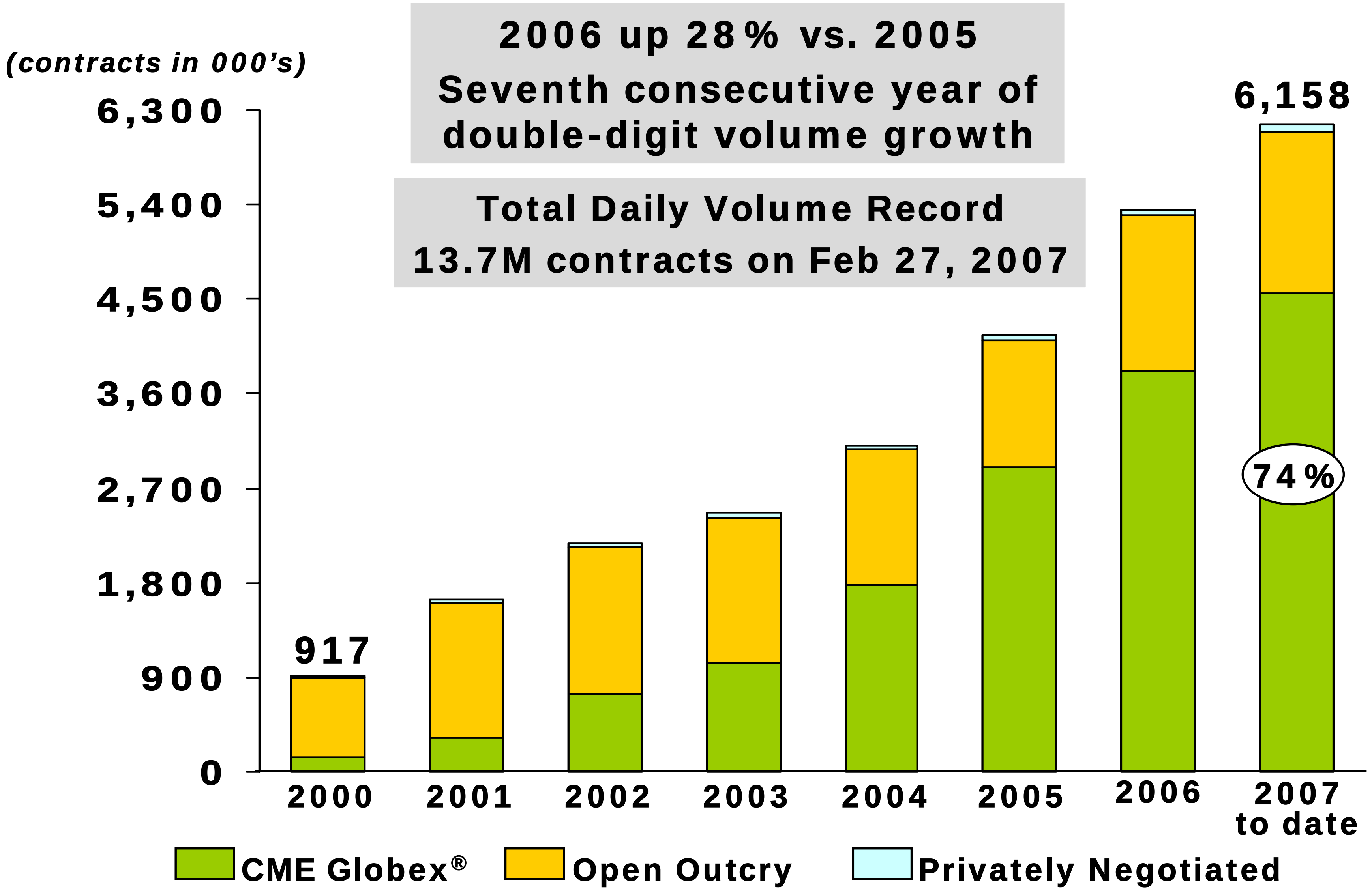
CME Weather Market Update

May 10, 2007

Felix Carabello

CME Annual Average Daily Volume



CME Globex Investment and Planning

CME invests significantly in technology development, software and equipment for CME Globex

- Over $1 billion in capital and expenses over the past seven years to enhance speed, reliability, functionality and capacity for electronic trading
- CME policy requires constant investment to maintain system capacity at 2-3x recent peak message rates, depending on product

CME IT and Operations Divisions plan infrastructure requirements 3-5 years in advance

CME Globex Constant Improvement

CME has developed complex spreading functionality to enhance liquidity in CME and NYMEX products

Current Spreads:

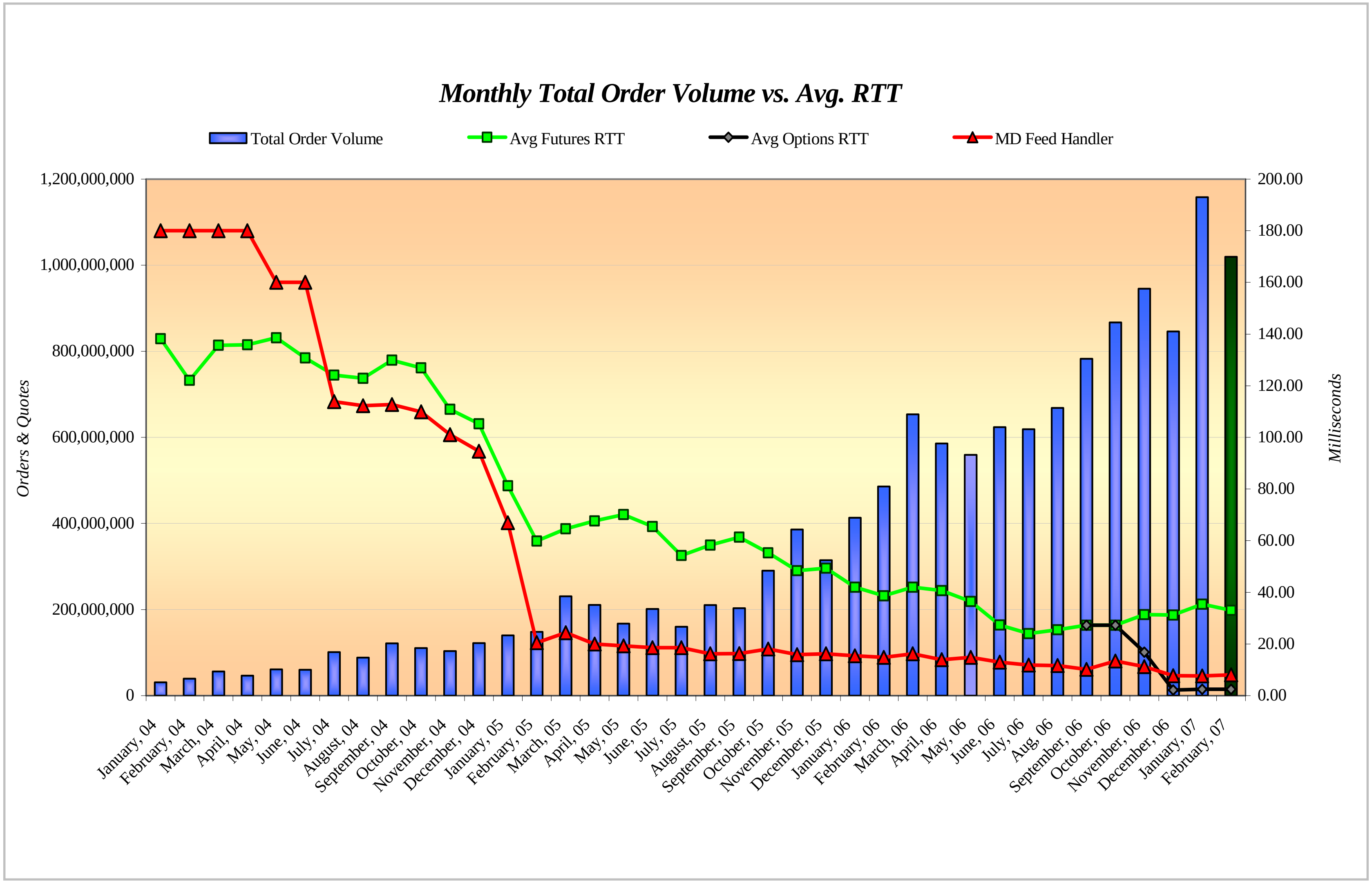
- **Exchange-Defined Inter-Commodity Spreads**
- **Bundles/Packs**
- **Ratio Spreads**
- **Implied Calendar**
- **Implied Butterfly**

Future Spread Enhancements:

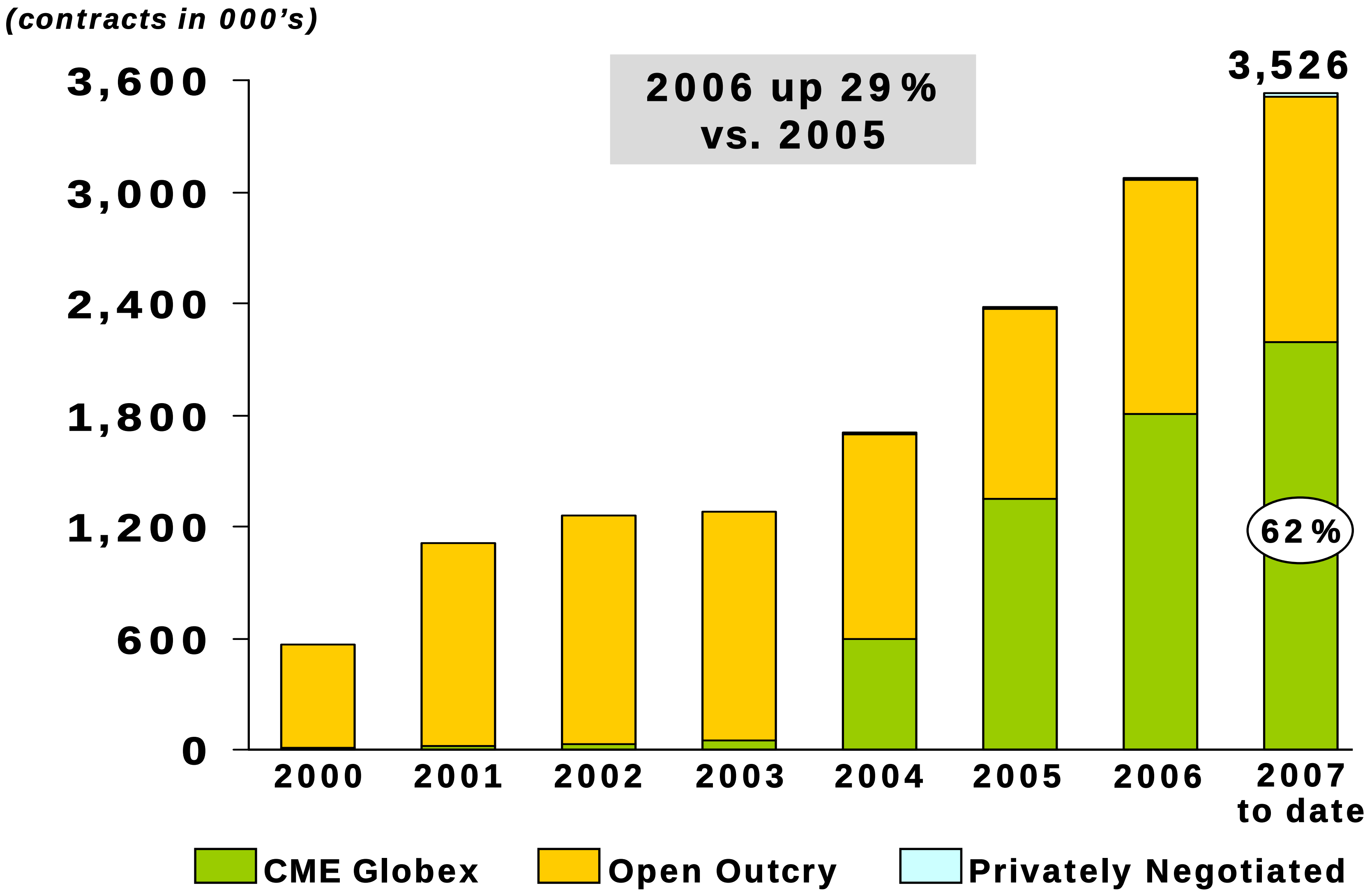
- **Delta Neutral**
- **Exchange/User-defined Spreads (options strategies)**
- **Implied 1:1 Crack Spreads (June 2006)**
- **Implied 5:3:2 and 3:2:1 Crack Spreads**

CME Annual Average Daily Volume

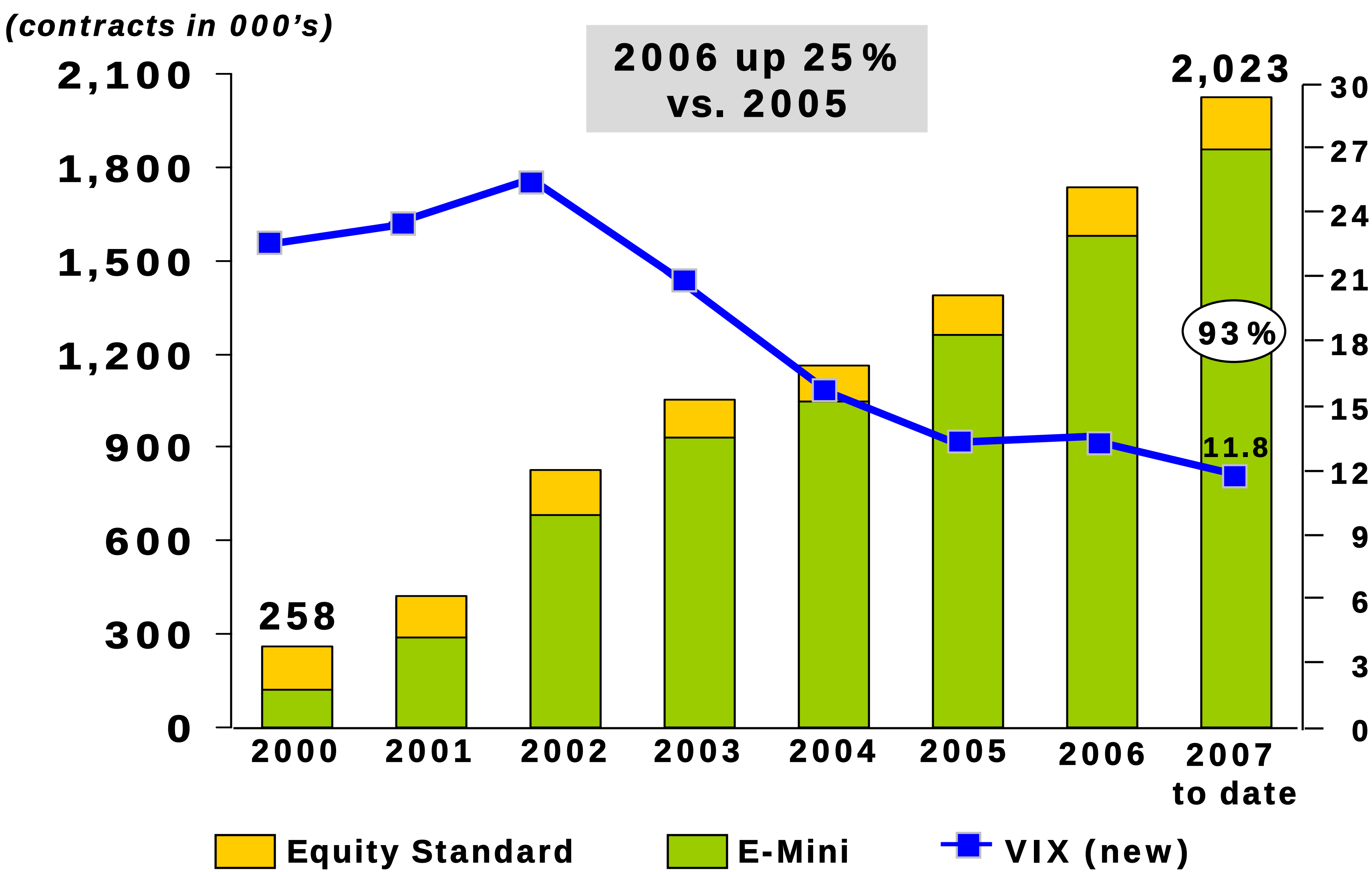
We continue to improve performance while volume increases



CME Interest Rates

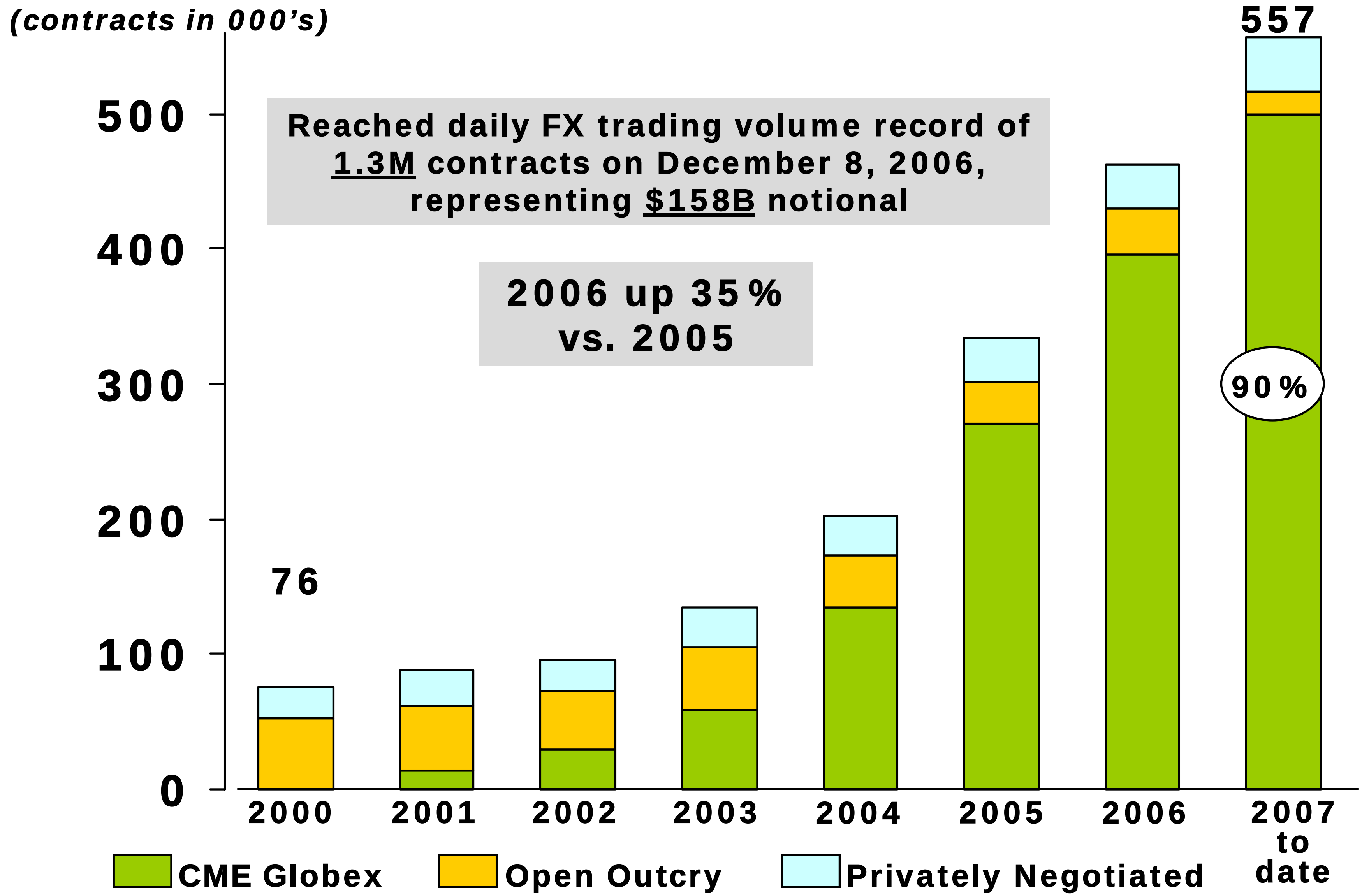


CME Equities



Note: Restated equity ADV's go back through 2003 only

CME Foreign Exchange



Performance Statistics

Daily Key Facts

- **Orders:**
  - 30 Million order events per day
    - 10 Million Futures Orders
    - 20 Million Options Quotes per day (1 MM Mass Quotes)

- **Market Date:**
  - Price Updates to Traders
    - 12 Million Futures
    - 10 Million Eurodollar Options
    - 10 Million FX and Equity Options
  - Quote Vendor
    - 6 Million Futures
    - 10 Million Options

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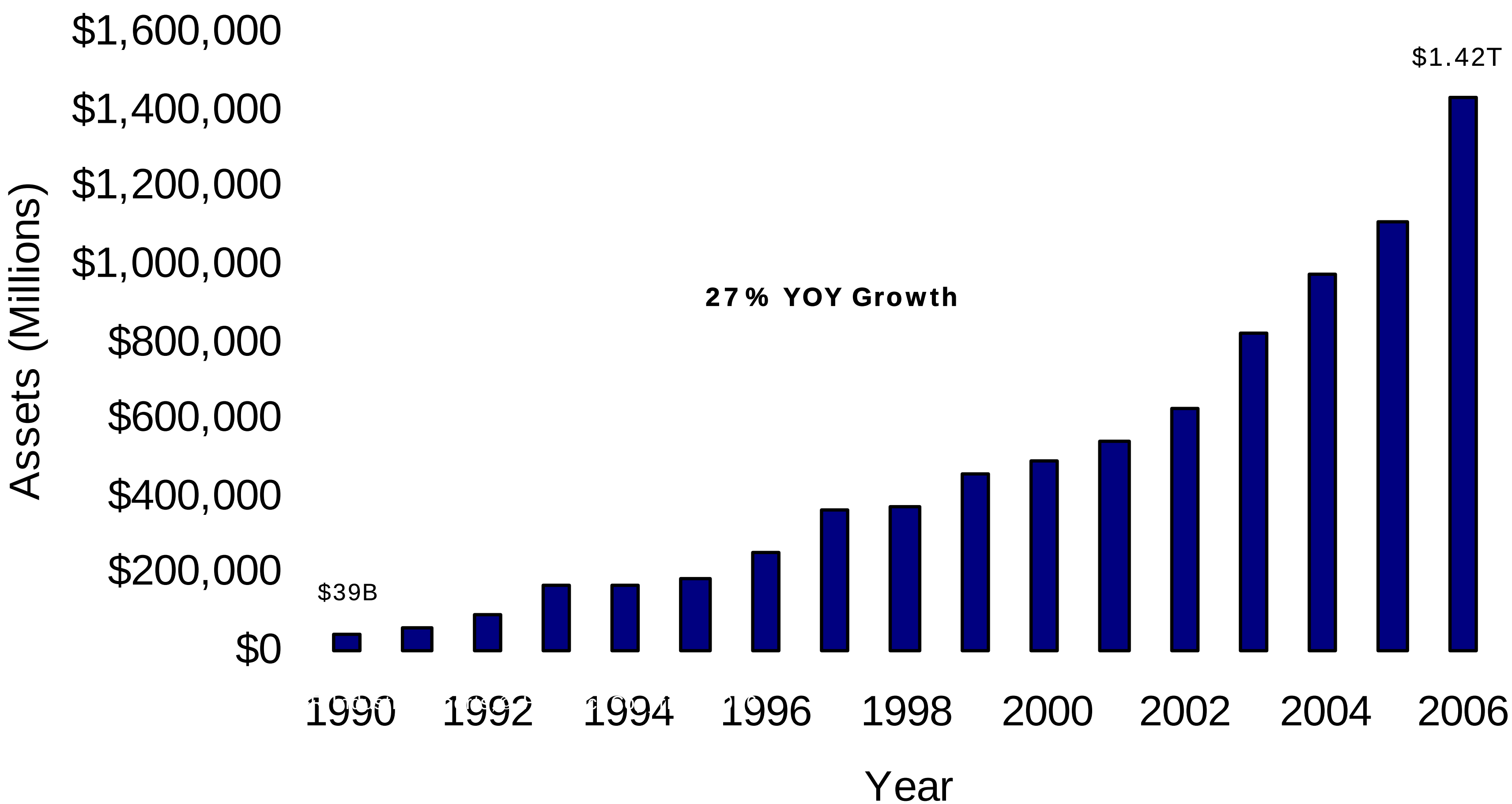
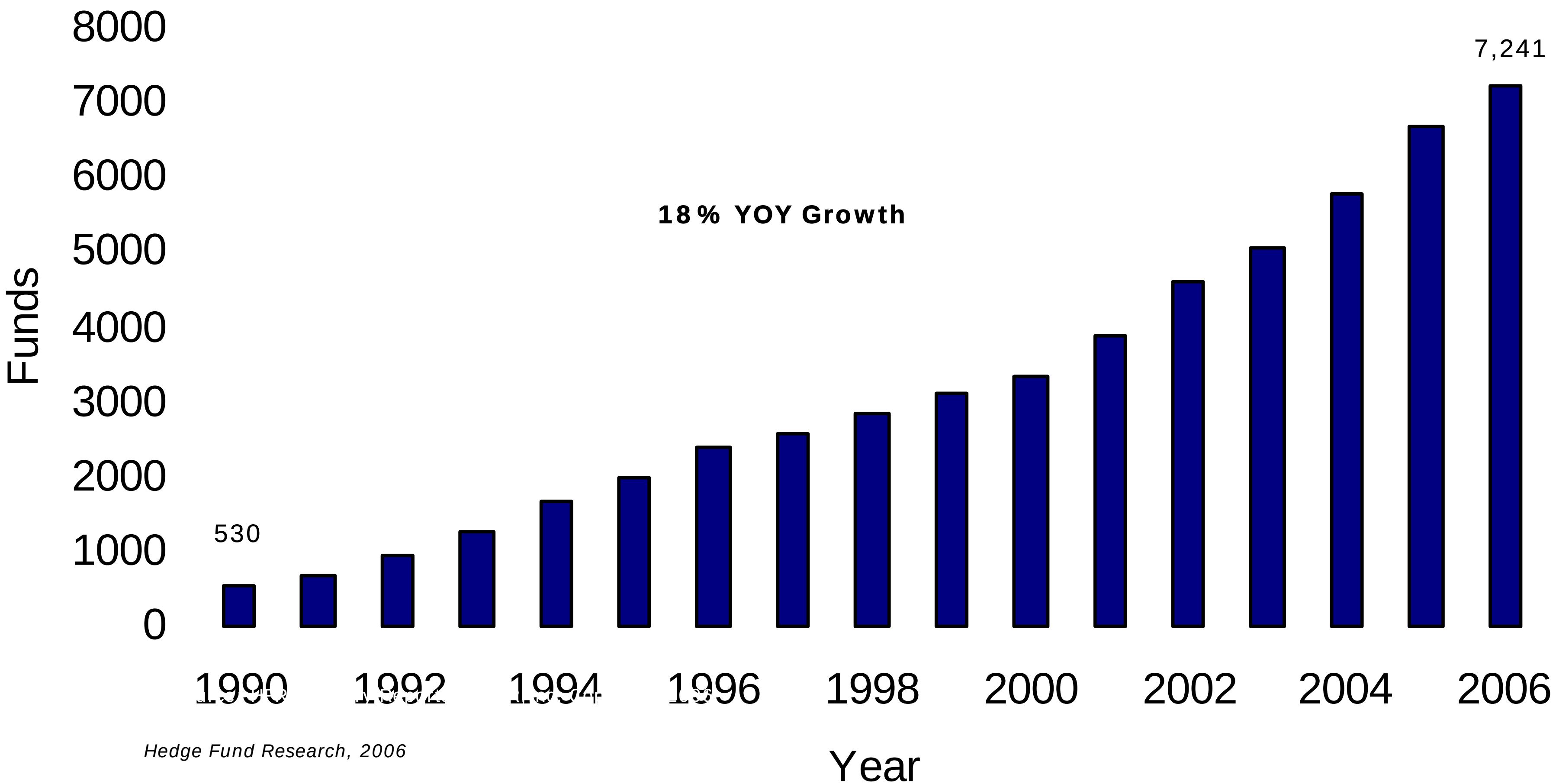
New Dominant Entrants

Asset Growth: 1990-2006



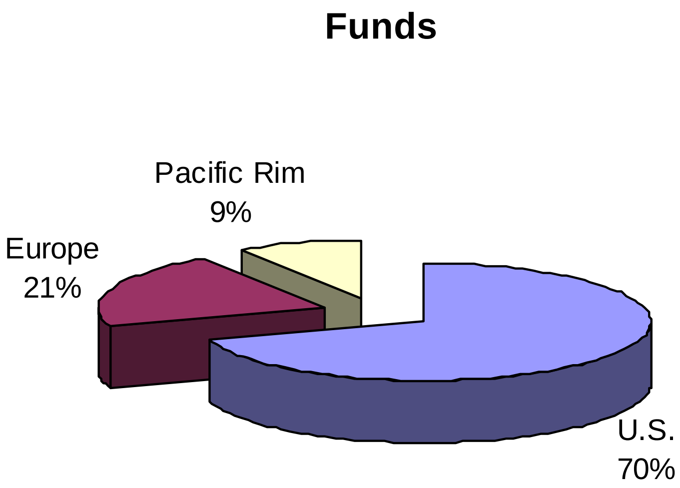
Hedge Fund Research, 2006

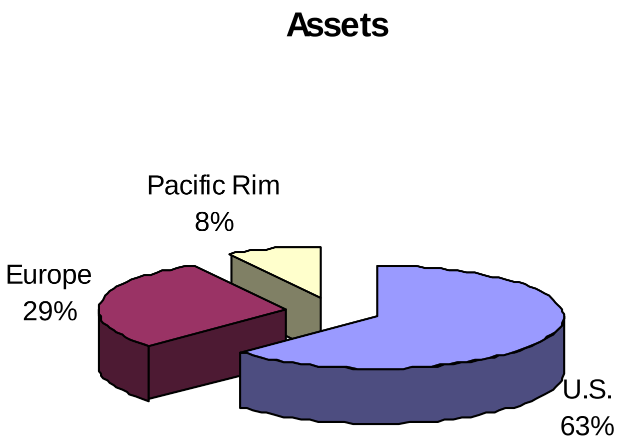
Number of Funds: 1990–2006



Hedge Fund Research, 2006

Number of Funds & Assets by Region





Hedge Fund Research, 2006

Hedge Funds Impact on Capital Markets

- 30-35% of total brokerage firm revenue at Wall Street's Tier 1 firms
- 40-50% of daily turnover on the New York and London Stock Exchanges
- 70% of Exchange Traded Funds volume
- $25B in fees to Wall Street in 2005

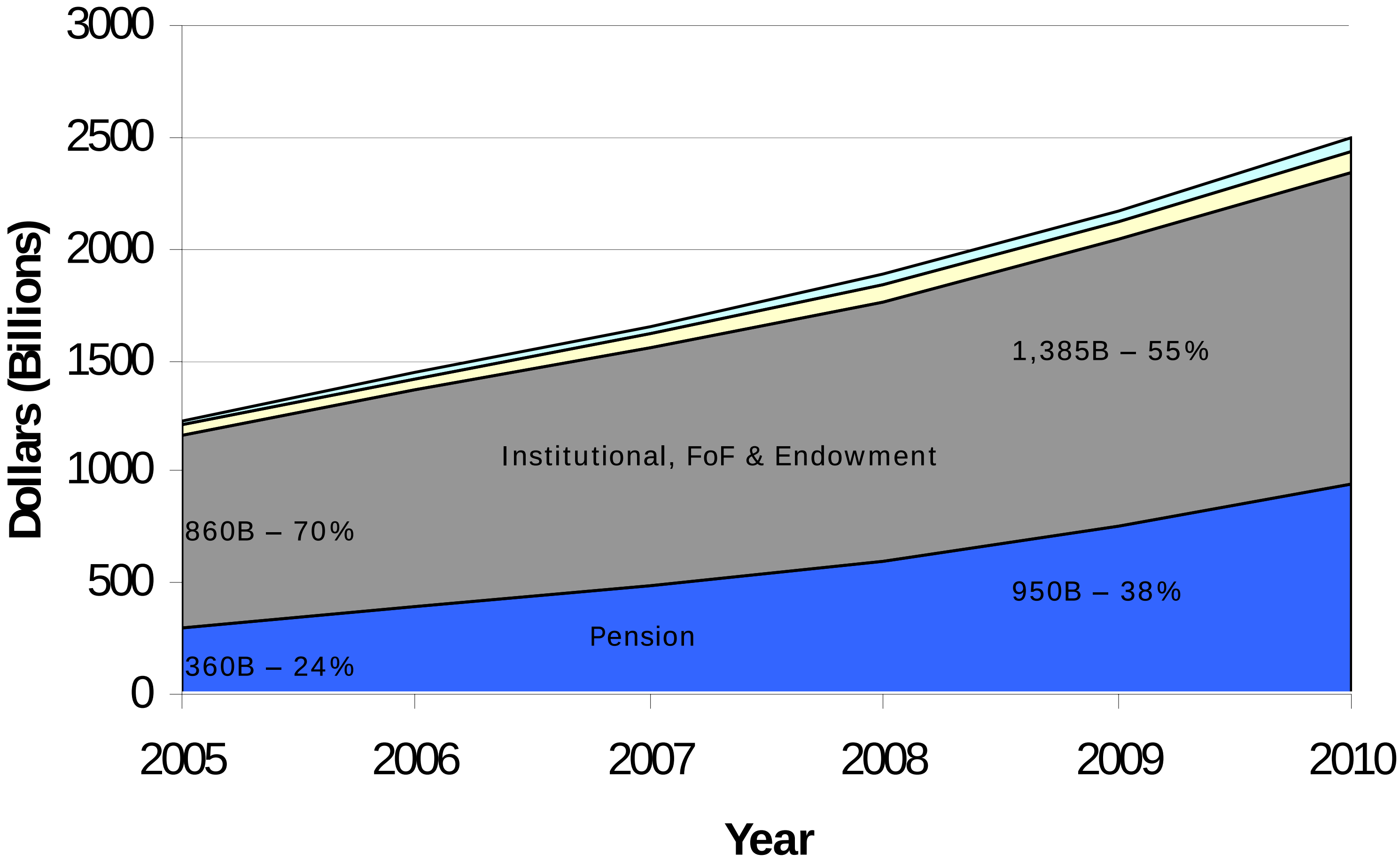
Source: Credit Suisse / First Boston Equity Research, European Wholesale Banks, March 2006

Future Growth Driver: Pension Plans

- Historically have been slow to enter space due to regulatory constraint and public scrutiny (headline risk)
- S&P 500 defined-benefit plans a a group were $140.4 billion under funded for 2005[1]
- 60% (298)of the S&P 500 pensions are under funded[1]
- Assumed ROR to meet existing liabilities is 8%+ per annum

Standard and Poor's Report: S&P 500 Pension Under Funding Improves Slighly in '05

Projected HF Asset Growth over the next 4 years



Grail Partners: Russell, Greenwich Associates, Morgan Stanley, Merrill Lynch estimates

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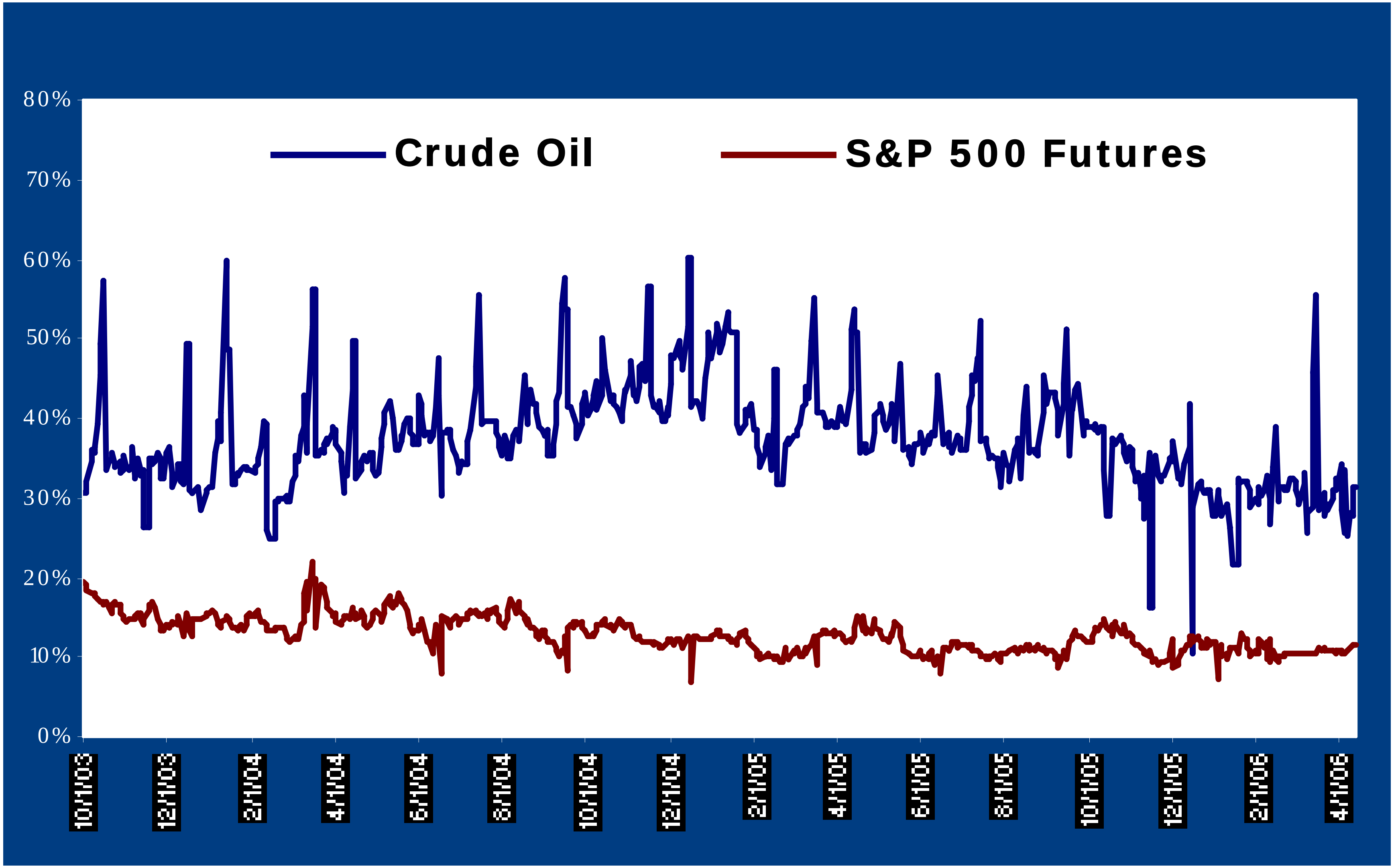
NYMEX Partnership & Energy Market Opportunities

Energy as a Growth Opportunity

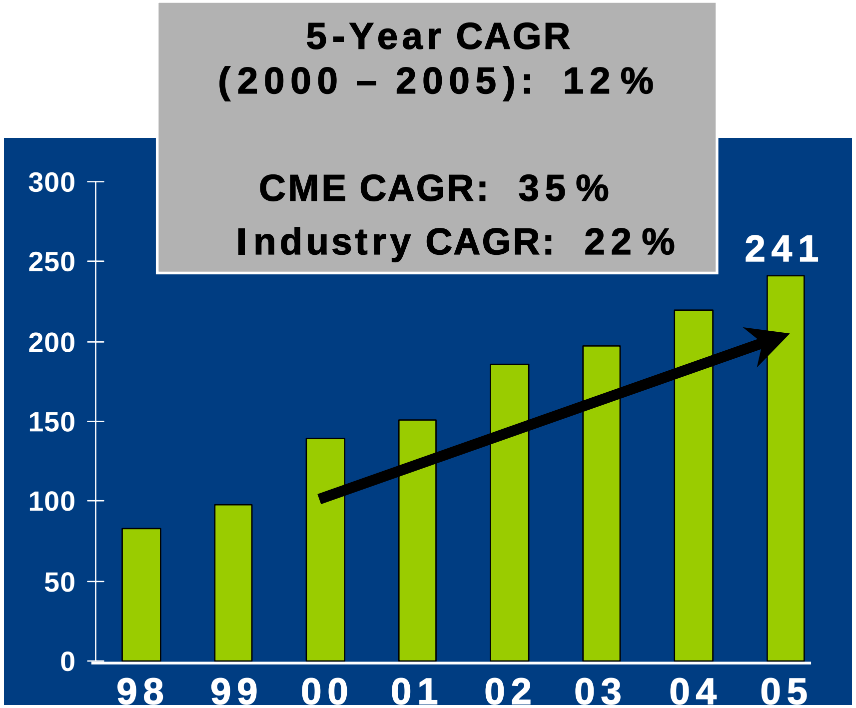
Implied Volatilities
Energy and S&P 500 Futures Markets



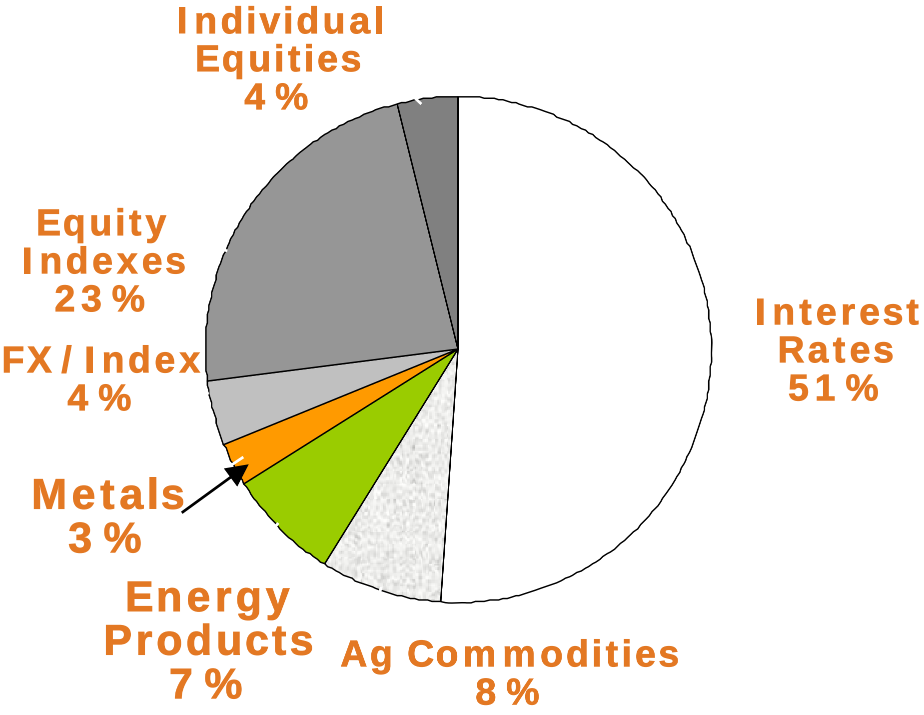
Energy as a Growth Opportunity

Global energy futures volume continues to grow as markets remain volatile

Annual Global Energy Futures Volume
(in millions)



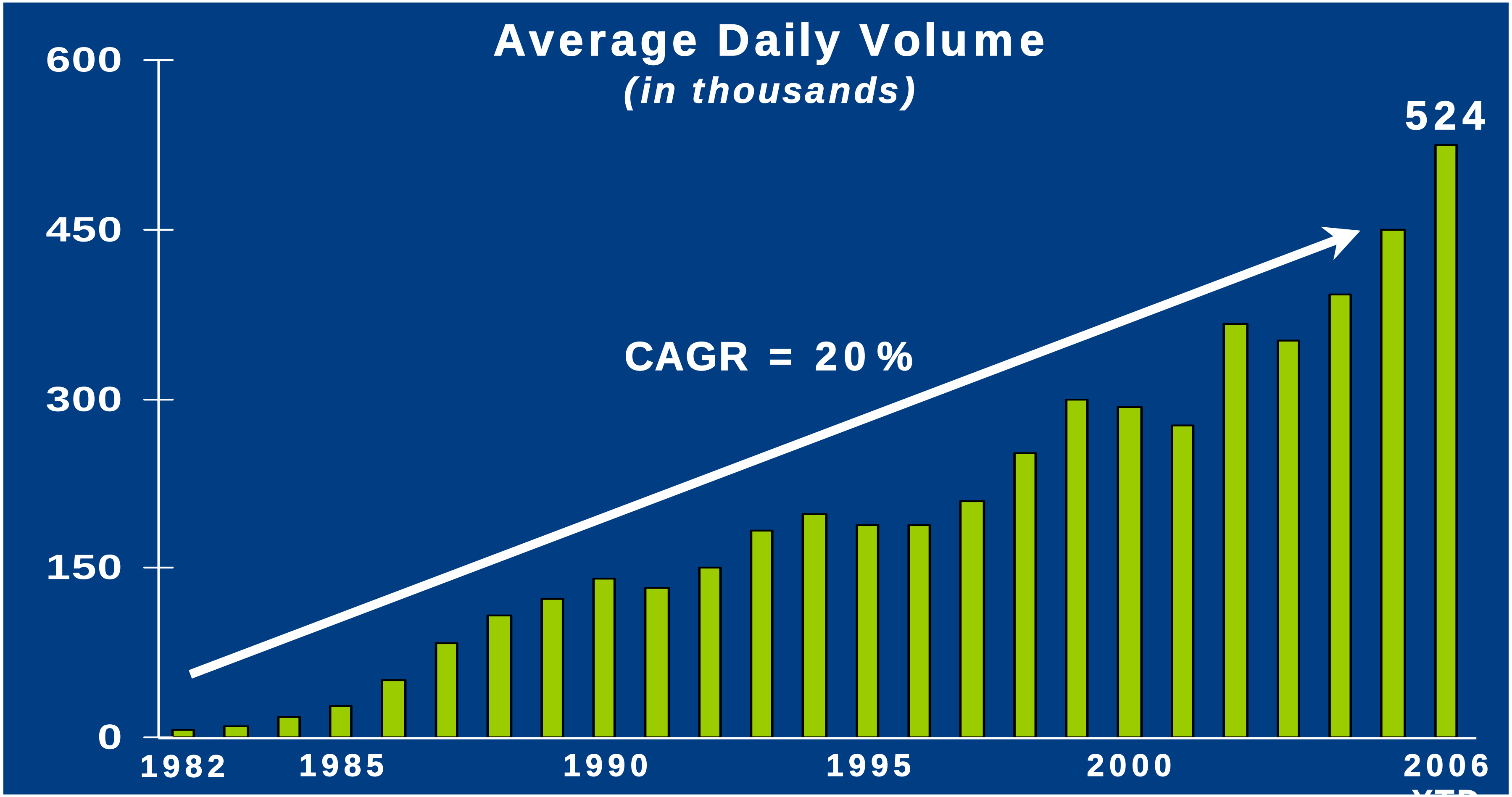
2005 Global Futures



Note: Futures volume only, not including options on futures

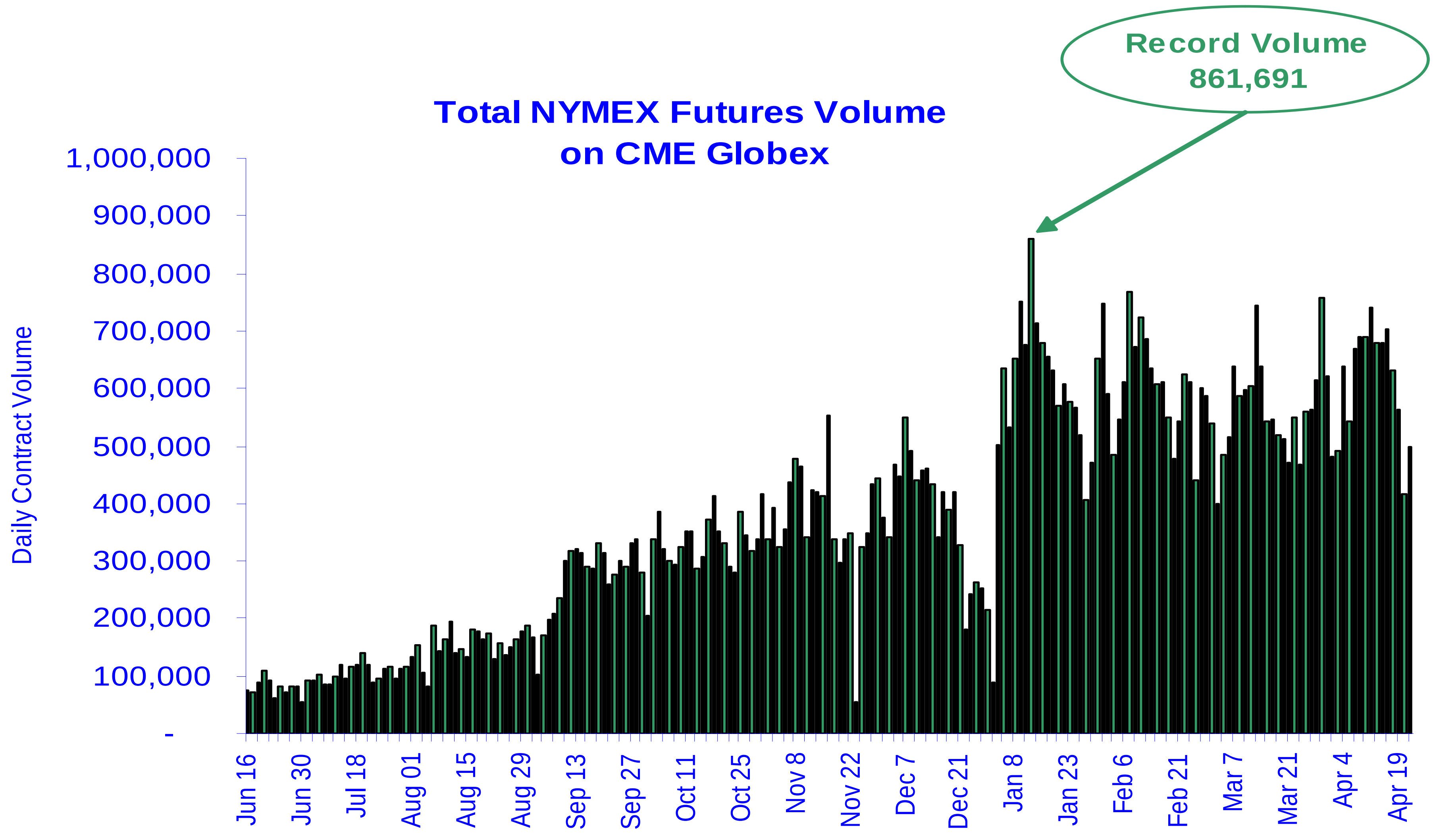
Energy as a Growth Opportunity

NYMEX energy futures volume steady growth



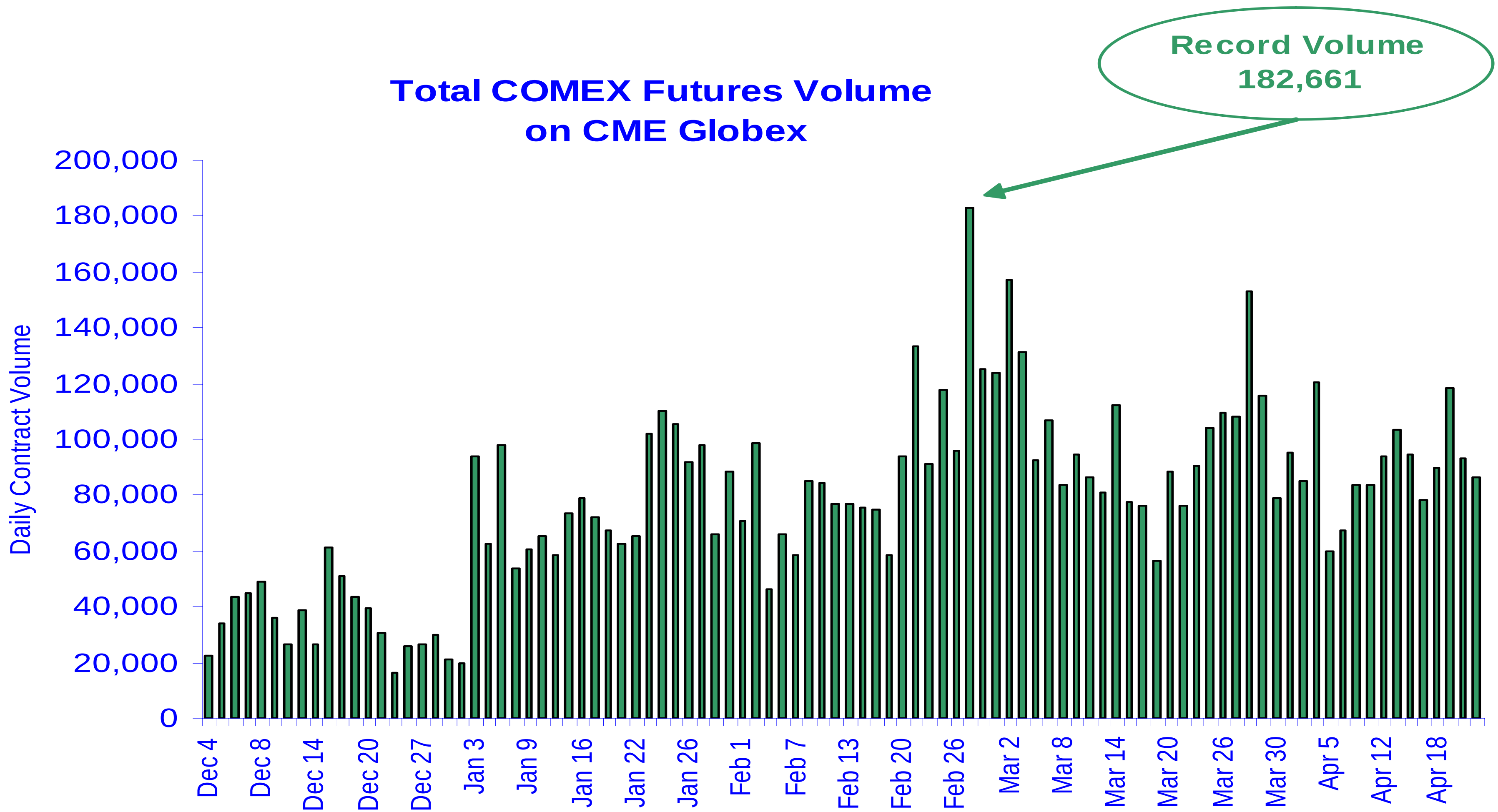
NYMEX Daily Volume on CME Globex

Total NYMEX Futures Volume on CME Globex



COMEX Daily Volume on CME Globex

Total COMEX Futures Volume on CME Globex



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Weather Trading at CME

CME Weather Futures & Options

U.S. Monthly / Seasonal Strips / Weekly Weather Futures and Options

Atlanta	Des Moines	New York
Baltimore	Detroit	Philadelphia
Boston	Houston	Portland
Chicago	Kansas City	Sacramento
Cincinnati	Las Vegas	Salt Lake City
Dallas	Minneapolis	Tucson

European Monthly & Seasonal Strip Weather Futures and Options

Amsterdam	London	Rome
Berlin	Madrid	Stockholm
Essen	Paris	Barcelona

Asia-Pacific Monthly & Seasonal Weather Futures and Options

Osaka	Tokyo

Frost Monthly & Seasonal Weather Futures and Options

Amsterdam

CME Weather Market Growth

Summer 1999
CME launches first exchange weather derivatives

1999

August 22, 2002
Announce the LMM (Wolverine)

September 26th
Launch 10 new US seasonal cities & 12 new US monthly cities.

2003

October 3rd
Launch five monthly and seasonal European cities

2004

March 8th/April 12th
Change contract size from $100 to $20

June 14th
Launch of additional 5 US seasonal cities
Total is 15 US Monthly/Seasonal cities

July 26th
Expand the Option strike range

2005

June 20th
Add 3 new US cities and 4 new European cities

September 23th
Launch CME Weather
Seasonal Strips/ Frost contracts

2006

February 27
Launch Snowfall Contacts for New York And Boston

Volume

24,094
(1999-2003)

122,094

867,681

801,122
2006

2007 - Launched Hurricane / Weeklies

YTD ADV 6,800 (April 6,400)

CME Weather Summary

2007 Volume up + 34% over 2006

- April - set an all-time ADV and monthly volume
  - April ADV vs. 2006 - +203%
  - YTD ADV - 6,800
- Set 3 daily trading records in April

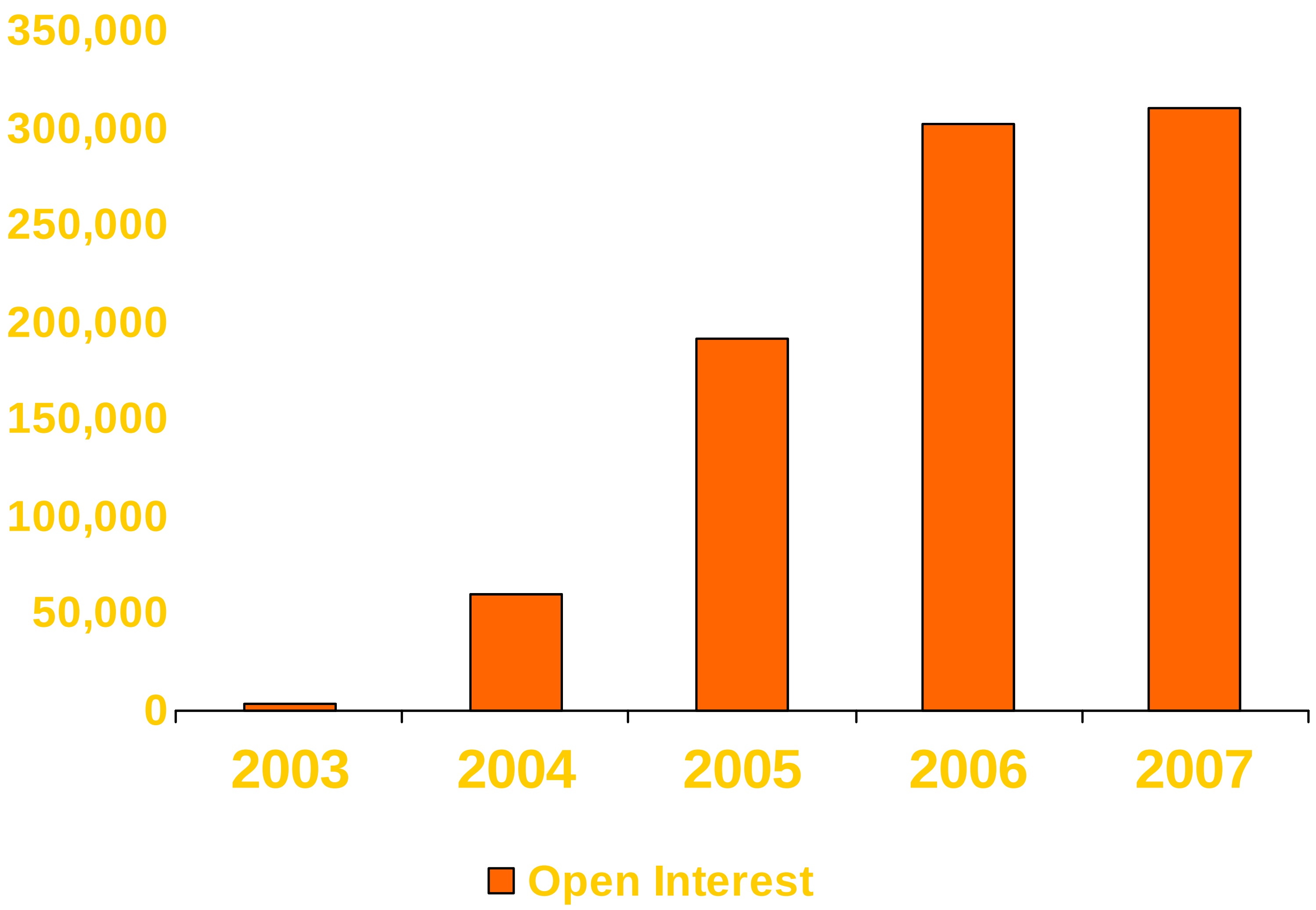
2007 Open Interest surpassed 300,000 contracts

New market participants up 20%

New Products

- Hurricanes – Event, Seasonal (cumulative and max)
  - 5 regions
- Weekly (all US cities)

Market Maturation (Open Interest)

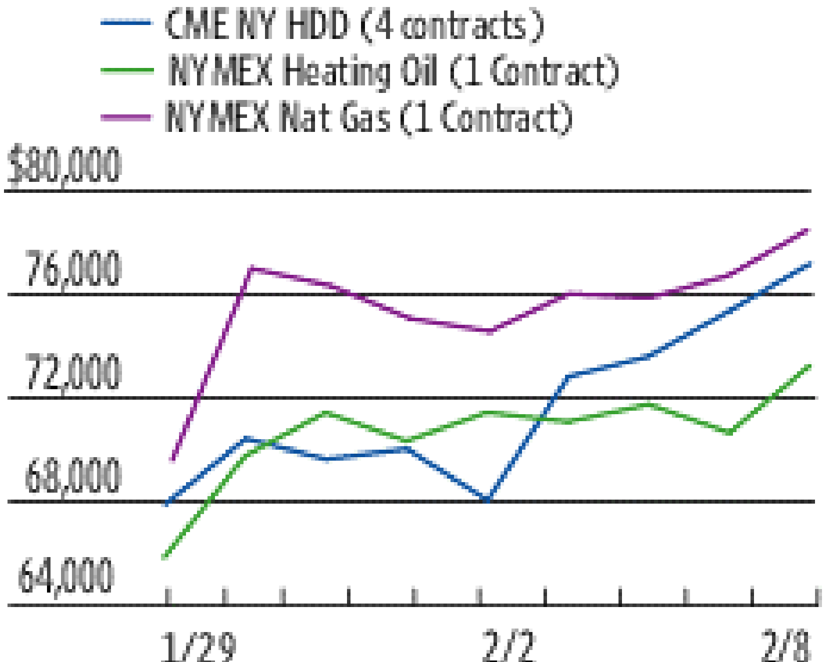


Weather and Energy

- **Weather vs. Energy Correlation**
  - Temperature vs. Electricity 90%
  - Temperature vs. Natural Gas 85%
  - Temperature vs. Crude Oil 75%
- **Due to these correlations, energy prices can move in unison to the CME Weather prices**
- **Energy companies are optimizing their hedges by hedging weather risk**
  - In recent years, natural gas traders use CME Weather prices as a Natgas directional barometer
  - Energy companies are optimizing the value of their research

CME Weather is Becoming Institutionalized

Bitter cold continuing in the Midwest and Northeast is the force driving energy traders to buy oil and natural gas, pushing these markets higher. Weather traders at CME are using the cold forecast data to exert upward pressure on heating degree day contracts. One NYMEX oil or gas contract is worth about four HDD futures pegged to daily temperatures recorded at the LaGuardia Airport station in New York.



	Weather $20/HDD	Heating Oil $/gallon	Nat Gas $/mmBTU
1/29	848	1.557	6.937
2/1	875	1.659	7.530
2/5	910	1.676	7.634
2/8	965	1.725	7.871

*For information about CME Weather products please visit www.cme.com/weather.

CME Weather-Future plans

- **Boost screen trading with institutional minimum threshold volume levels**
- **Off-exchange trade submission through your trading application via a API will provide STP**
- **Enhance daily settlement processes**
- **Expanding weather risk management product coverage to enhance risk management**
  - New products and cross commodity opportunities
- **Partner with local "owners" to enhance global products**
  - Offer more market making opportunities in growing markets
- **NYMEX/CME cross product margining**
  - Cross commodity to reduce operational cost and create better risk tools
- **Continue to commoditize weather risk/attract new and diverse customers**

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Questions

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