

LONDON NOTICE No. 2643

ISSUE DATE: 6 May 2005

EFFECTIVE DATE: 9 May 2005

THREE MONTH EURODOLLAR INTEREST RATE FUTURES CONTRACT

APPOINTMENT OF DESIGNATED MARKET MAKERS

Executive Summary

This Notice informs members of the appointment of Designated Market Makers in the Three Month Eurodollar Interest Rate Futures Contract.

1. LIFFE Circular No. 05/07, issued on 23 March 2005, invited members to apply for Designated Market Maker ("DMM") status in the Three Month Eurodollar Interest Rate Futures Contract ("Eurodollar Futures Contract").
2. **Subject to the completion of legal agreements**, the Exchange is pleased to announce DMM appointments and market making obligations in relation to the Eurodollar Futures Contract.
3. The DMM appointments will commence on Monday 9 May 2005 and will continue until close of business on Friday 30 December 2005. They will be subject to standard contractual terms (e.g. in respect of early termination).
4. DMM obligations are set out in the Attachment to this Notice.
5. The Exchange reserves the right to appoint additional market makers in respect of the Eurodollar Futures Contract during the course of the DMM Programme. Such appointments, if any, will have comparable market making obligations to those detailed in this Notice and will be notified to members by Notice.

For further information in relation to this Notice, please contact your Account Manager or one of the following:

Interest Rate Product Management (+44 (0)20 7379 2222)

U.S. Office (+1 212 482 3000)

Website: www.euronext.com/derivatives

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

Euronext NV, PO Box 19163, 1000 GD Amsterdam, The Netherlands

Eurodollar Futures Contract: Designated Market Maker (“DMM”) Obligations

DMM obligations in relation to the Eurodollar Futures Contract are set out in the three tables below.

		Quarterly Delivery Months (maximum spread in basis points x minimum order size in lots)							
Sets of DMM Obligations	Trading Day Coverage %	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
1	80	0.5 x 200	0.5 x 150	0.5 x 100	0.5 x 100	0.5 x 75	0.5 x 75	0.5 x 50	0.5 x 50
2	65	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50 (30%)	0.5 x 50 (30%)
3	65	0.5 x 100	0.5 x 100	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 25 (35%)	0.5 x 25 (35%)
4	70	0.5 x 100	0.5 x 75	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 25 (35%)	0.5 x 25 (35%)
5	75	0.5 x 200	0.5 x 200	0.5 x 100	0.5 x 100	0.5 x 50	0.5 x 50	0.5 x 25	0.5 x 25
6	49	0.5 x 100	0.5 x 75	0.5 x 75	0.5 x 75	0.5 x 50	0.5 x 25	0.5 x 25	0.5 x 25

		Calendar Spread Strategies (maximum spread in basis points x minimum order size in lots per leg)							
Sets of DMM Obligations	Trading Day Coverage %	1st (Q1/Q2)	2nd (Q2/Q3)	3rd (Q3/Q4)	4th (Q4/Q5)	5th (Q5/Q6)	6th (Q6/Q7)	7th (Q7/Q8)	8th (Q8/Q9)
7	80	0.5 x 100	0.5 x 200	-					
8	75	0.5 x 100	0.5 x 100	0.5 x 150	0.5 x 150	0.5 x 100	0.5 x 100	0.5 x 100	-
9	51	-	-	-	-	0.5 x 250	0.5 x 250	0.5 x 250	-
10	70	1 x 700	0.5 x 700	0.5 x 700	0.5 x 700	0.5 x 700	0.5 x 700	0.5 x 200 (50%)	0.5 x 200 (40%)
11	49	-	0.5 x 50	0.5 x 50	-	-	-	-	-
12	49	0.5 x 100	0.5 x 100	0.5 x 100	0.5 x 50	0.5 x 50	0.5 x 50	0.5 x 50	-

Sets of DMM Obligations	Trading Day Coverage %	Additional Strategies/Services (maximum spread in basis points x minimum order size in lots per leg)
13	75	First six butterflies (Q1\Q2\Q3 to Q6/Q7/Q8): 0.5 x 50 lots.
14	51	Ninth and tenth quarterly delivery months: 2.5 x 150 lots. Eleventh and twelfth quarterly delivery months: 3 x 150 lots. Four annual calendar spreads (Q5/Q9, Q6/Q10, Q7/Q11 and Q8/Q12): 2 x 100 lots.
15	67	White Pack (50 lots each leg), Red Pack (25 lots each leg), Two Year Bundle (25 lots each leg). The bid/offer spread commitment for each of these Packs and Bundles strategies is to be 1 “price” basis point tighter than the theoretical bid/offer spread calculated from the prices of the constituent outright legs (i.e. a strategy bid 0.5 basis points higher than the theoretical bid and a strategy offer 0.5 basis points lower than the theoretical offer). For further information about Packs and Bundles, please refer to www.liffepacksandbundles.com .

Trading Day Coverage refers to the entire trading day, i.e. 07:00 to 21:00 hours (London time). Where a DMM has committed to reduced coverage in respect of particular delivery months or strategies, this has been indicated in brackets.

DMMs are required to perform the following market making obligations for an agreed percentage of the trading day:

- (a) make two-way outright markets in the agreed quarterly delivery months and/or strategies on LIFFE CONNECT[®] with an agreed maximum bid/offer spread and an agreed minimum order size as detailed in the tables above; and
- (b) assist Exchange staff, on request, in determining theoretical prices used for intra-day modelling and, in particular, settlements publication.

DMM obligations are subject to the following exemptions:

- (a) on U.S. national holidays the Exchange will determine which DMM obligations, if any, should be honoured; and
- (b) where intra-day market conditions prevent a DMM from honouring its obligations, for example over the announcement of significant economic news and during technical issues, the DMM must inform the Exchange at its earliest convenience.

It is anticipated that the DMMs will operate over different portions of the trading day, thereby providing extensive coverage of the Eurodollar Futures Contract’s fourteen hour trading session.