NYSE Liffe

EURONEXT DERIVATIVES MARKETS

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Equivalent Notices are being issued to Members of the following markets: Amsterdam, Brussels, Lisbon and Paris

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AMENDMENTS TO TRADING PROCEDURES IN RESPECT OF THE DETERMINATION OF DAILY SETTLEMENT PRICES FOR CERTAIN FUTURES CONTRACTS

Executive Summary

This Notice provides details of amendments to the NYSE Liffe Trading Procedures in respect of the determination of Daily Settlement Prices for Futures Contracts which use the Central Order Book price method.

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1.   On Monday 21 September 2009, NYSE Liffe will implement a new system, known as the Pricing and Settlement System ("PSS"), for the management of dynamic price limits and the determination of Daily Settlement Prices ("DSPs"). As a consequence of the introduction of PSS, changes are required to be made to the NYSE Liffe Trading Procedures ("the Trading Procedures"). These changes are only required for those Futures Contracts for which the DSP is determined using the Central Order Book price method. NYSE Liffe Trading Procedures for all other contracts will remain unchanged.

2.   The process by which DSPs are determined for those Futures Contracts which use the Central Order Book price method requires the monitoring of market activity in the two minute period before the time specified for the settlement of the contract. This period is known as the "Settlement Range". It is during the last 30 seconds of the Settlement Range that trading activity, whether for example a single traded price or the trade weighted average price, is used to determine the DSP.

3.   PSS will introduce a far greater level of automation to the process by which DSPs are determined and will operate with the following changes to the use of the Settlement Range:

   (i)   the Settlement Range will be a period of <u>no less than</u> two minutes; and

   (ii)   it will be during the last minute of the Settlement Range that market activity - whether a single traded price, the trade weighted average price, or the price midway between active bids and offers - will be used to determining the DSP.

4.   The revised Trading Procedures which give effect to these changes form Attachment 1 to this Notice and will be available on the NYSE Euronext website (www.nyx.com/liffe) in due course.

5.   The Settlement Range for each relevant Futures Contract is set out in Attachment 2, and can also be found on the NYSE Euronext website alongside the trade invalidation ranges. Updates will be made on a periodic basis as and when required.

For further information in relation to this Notice, Members should contact:

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NYSE Liffe Trading Procedures

(Additions are shown **underlined** and deletions ~~struckthrough~~)

2.2   Settlement prices – Futures Contracts

2.2.1   The Daily Settlement Price for Futures Contracts is calculated using one of the following two methods:

(a)   Central Order Book price method (described in Trading Procedures 2.2.2-2.2.3); or

(b)   official closing price method (described in Trading Procedure 2.2.4).

The method used to establish the Daily Settlement Price for each Futures Contract is indicated in Annexe One.

2.2.2   In respect of the Central Order Book price method, the Settlement System in Market Services will be used to calculate the Daily Settlement Price by taking a feed of reported prices **for a period of no less than** ~~in the~~ two minutes ~~period~~ before the time specified for the settlement of a contract, as notified by the Relevant Euronext Market Undertaking**. This period is known as the "Settlement Range". However, the Relevant Euronext Market Undertaking** will also monitor market activity throughout the Trading Day to ensure that settlement prices are a fair reflection of the market.

2.2.3   The ~~first ninety seconds of the~~ Settlement Range will be used to monitor spread levels. Thereafter, the following criteria will be taken into account, as applicable:

(a)   the traded price during the last **minute** ~~thirty seconds~~ of the Settlement Range; or, **if there is more than one traded price during this time:**

(b)   the trade weighted average of the prices traded during the last **minute** ~~thirty seconds~~ of the Settlement Range, rounded to the nearest tick; or, **if there are no traded prices during this time:**

(c)   the price midway between the active bids and offers at the time the settlement price is calculated, rounded to the nearest tick.

Where a trade weighted average or a midway price between active bids and offers results in a price which is not a whole tick, the rounding convention that will apply in respect of (b) and (c) above will be in accordance with **that** ~~those~~ set out in the relevant contract specification~~s~~.

In addition, the following criteria are monitored in Market Services and may be taken into account, as applicable:

(d)   price levels as indicated by spread quotations;

(e)   spread relationships with other contract months of the same contract; and

(f)   price levels and/or spread relationships in a related market.

2.2.4   In respect of the official closing price method, which shall be used for such stock futures and index futures as may be specified in Annexe One, the Daily Settlement Price shall be determined by a fair value calculation using the official daily closing price of the company security or the index of such securities (as the case may be) established by the Relevant Stock Exchange. Where such official daily closing price is not available, the Relevant Euronext Market Undertaking** shall determine the Daily Settlement Price, at their absolute discretion, on the basis of a fair value calculation which is consistent with cash market values of the shares the subject of such Contract.

2.2.5   Settlement prices will be displayed on LIFFE CONNECT® and for a minimum period of five minutes thereafter, the Relevant Euronext Market Undertaking** may deem it necessary to amend the settlement prices to ensure they are a fair reflection of the market.

2.2.6   When the Relevant Euronext Market Undertaking** is satisfied that the settlement prices are appropriate in respect of a particular contract, the revised settlement prices will be displayed and for a minimum period of three minutes thereafter any further appropriate revisions will be displayed accordingly.

2.2.7   The prices established by the procedure set out in this Trading Procedure 2.2 will be transmitted to the Clearing House. In the event that the Clearing House considers that prices do not correctly reflect the true value of contracts in the terms of Futures Contracts within the market, the Relevant Euronext Market Undertaking** may amend prices as appropriate.

2.2.8   Settlement prices will be displayed on LIFFE CONNECT® or any such other means of communication as the Relevant Euronext Market Undertaking** sees fit.

2.2.9   Where the settlement price of a contract available for trading on LIFFE CONNECT® is calculated during the course of the LIFFE CONNECT® session for that contract, the Relevant Euronext Market Undertaking** will additionally post the LIFFE CONNECT® closing price for each contract month at Market Close. Closing prices, where applicable, will be calculated in the manner set out in PART TWO of these Trading Procedures.

Settlement Ranges

Interest Rates Futures Contracts	Settlement Range
Three Month Eurodollar	10 minutes
Three Month Eonia Swap Index	10 minutes
One Month Eonia	10 minutes
Three Month Euro (Euribor)	10 minutes
Three Month Euroyen (Tibor) Futures	10 minutes
Three Month Sterling	10 minutes
Three Month Euroswiss	10 minutes
Long Gilt	2 minutes
2 Yr Euro Swapnote	2 minutes
5 Year Euro Swapnote	2 minutes
10 Year Euro Swapnote	2 minutes
2 Yr US Dollar Swapnote	2 minutes
5 Yr US Dollar Swapnote	2 minutes
10 Yr US Dollar Swapnote	2 minutes

Equity Index Futures Contracts	
FTSEurofirst 300 Index	2 minutes
FTSE 100 Dividend Index	2 minutes
FTSE 250 Index	2 minutes
FTSE 100 Index	2 minutes
FTSE Eurotop 100 Index	2 minutes
PSI Index	2 minutes
MSCI Pan-Euro Index	2 minutes
MSCI Euro Index	2 minutes

Commodity Futures Contracts	
Cocoa	10 minutes
Robusta Coffee	10 minutes
Feed Wheat	10 minutes
White Sugar	10 minutes