

September 22, 2008
044/2008-DP

EXTERNAL COMMUNICATION

To: The Brokerage Houses, Vendors and Software Houses

Re.: **Second Mock Trading Session – Globex-to-GTS Order Routing Test.**

We hereby inform you that as of September 27, 2008 (Saturday), BM&FBOVESPA will hold a second mock trading session to test the system of order routing from the CME Globex system to the BM&FBOVESPA GTS system, or Globex → GTS routing, whose characteristics are described in Circular Letter 045/2008-DP, of September 4, 2008.

The main purpose for this mock trading session is to assess the connectivity between the two exchanges, thereby allowing the Globex users to insert orders in the GTS system. Nonetheless, as of the opening of the free trading session (see item 3), BM&FBOVESPA will allow orders to be inserted by the brokerage houses that wish to test their BELL – BM&FBOVESPA Electronic Link connectivity, independently of their participation in the Globex → GTS routing.

The mock trading session will be conducted in definitive production environments for the new GTS and Globex. All orders inserted and all trades executed during the mock trading session will be processed and reported to the vendors connected through SDM or BELL – BM&FBOVESPA Electronic Link.

1. **Mock Trading Session Scope**

The scope of the mock trading session will comprise:

- Subscription and reception of market data;
- Trading (order insertion and execution) for the Interbank Deposit (ID), FRC, US Dollar, Arabica coffee and Ibovespa markets, including:
 - Pre-opening;
 - Performance of the trading scenarios defined in the attached annex; and
 - Free mock trading.

With the purpose of ensuring the integrity of the trading scenarios, on the day of the mock trading, the BM&FBOVESPA Control Center (CCB) will inform the brokerage houses about which contracts they must use during pre-opening and the mock trading session;

- Reception of execution report messages;
- Reception of drop copies for the registration, alteration and cancellation messages, as well as for the execution reports;
- Reception of news related to the electronic trading;
- Reception of the XML file containing trade data;

- Interaction with BM&FBOVESPA, allowing it to act as a counterparty or to facilitate the performance of a specific mock scenario desired by the participant; and
- Regular interaction with the CCB through the telephone (011) 800-222-47687 (valid in the United States) or the landline telephone (55-11) 3119-2333, and the following e-mail addresses: centrodecontrole@bmf.com.br or controlcenter@bmf.com.br. The brokerage houses wishing only to test their BELL connectivity should use the telephone (55-11) 3119-2916.

The scope of the mock trading session will **not** comprise:

- Utilization of the *BM&FServiços* system for customer allocation, give-up acceptance/rejection, and PLD assignment;
- Processing of the settlement activities;
- Processing of the Derivatives Clearinghouse risk and collateral management systems;
- Calculation and reporting of settlement prices; and
- Production and release of reports and files for the mock trading session.

2. **Prior Measures**

The modules of participant identification mapping and pre-trading risk verification via GTSLiNe, which make up the routing system, will be tested during the mock trading session, that is, the orders sent via Globex will go through both the customer identification conversion and the pre-trading risk assessment processes. The Circular Letters 044/2008-DP and 045/2008-DP, of September 4, 2008, provide details related to the participant identification mapping and the GTSLiNe. Therefore, the brokerage houses participating in the mock trading session with customers using Globex must:

- (i) register, until September 26, 2008, through the Participant Registration (CP) system, the information required for the participant identification mapping related to the foreign customers that will send orders via Globex. The confirmation of the above-mentioned information by the customer's clearing firm (via the "Information for Globex-GTS Order Routing" form) will not be required in the mock trading registration process. The participants that have been previously registered for the mock trading session held on September 20, 2008 will have their access to the second mock trading session re-activated provided that their corresponding brokerage houses send an e-mail to cadastro@bmf.com.br requesting such re-activation. After the mock trading session is closed, the participant's access to the order routing system will be blocked by the Participant Registration Center. Such access will only be unblocked when order routing system commences operations, provided that all the stages of the registration procedure defined in Circular Letter 045/2008-DP have been completed; and
- (ii) register, until September 26, 2008, through the GTSLiNe, the trading limit configurations for the foreign customers that will send orders via Globex, whose participant identification mapping information has been registered pursuant to above-mentioned item (i).

Concerning this mock trading session, the participating brokerage houses must be adequately prepared for the receipt of the information related to the orders routed via Globex, including the possibility of cancellation and alteration of those orders. To this end, the brokerage houses must ensure, by no later than September 26, 2008, that they can utilize a FIX session or the GTS Client screen for the reception of such messages (drop copy), pursuant to Circular Letter 045/2008-DP.

The customers that wish to participate in the mock trading session, but have not yet been registered as nonresident investors in Brazil and/or have not yet established a relationship with a BM&FBOVESPA brokerage house, must provide their participant identification mapping information upon registration for the mock trading. This rule also applies to the ISVs that wish to participate directly in the mock trading session with no customers using Globex.

3. Breakdown of Activities to Be Developed during the Mock Trading Session

We present below a list of activities that will be undertaken at the mock trading session. All times in the table below are shown in local Brasilia time.

Opening Time	Closing Time	Activity
10:00 am	10:50 am	Roll call
10:50 am	11:00 am	Start of day consultation
11:00 am	11:05 am	Pre-opening
11:05 am	11:20 am	Trading – Mandatory script
11:20 am	1:30 pm	Free trading
1:40 pm	1:45 pm	Pre-opening – After-hours
1:45 pm	2:00 pm	Trading – After-hours

4. Further Information

The institutions that are interested in participating in the mock trading session must send an e-mail to centrodecontrole@bmf.com.br or to controlcenter@bmf.com.br by no later than 6:00 pm on September 24, 2008 under the subject title “Second mock trading session – Globex-GTS Order Routing.” This e-mail should include the institution’s identification number, the names of the people attending the session and their respective telephone numbers and e-mail addresses. It is also important that this e-mail message clearly states whether the institution will participate in the entire mock trading session or only in the BELL connectivity test. The institutions must also include information as to how they wish to receive drop copies.

The participant that is only interested in testing its BELL connectivity must ensure that the identification of customers corresponds to the identification contained in the BM&FBOVESPA Participant Registration System.

The participants in the mock trading session must make the necessary adjustments to their internal systems so as to ensure that the mock trading session results are properly segregated from actual trading session results.

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Further information may be obtained from the BM&FBOVESPA Control Center by the following e-mail: centrodecontrole@bmf.com.br.

Edemir Pinto
Chief Executive Officer

Annex to External Communication 044/2008-DP

MOCK TRADING SCENARIOS

The trading scenarios presented below must be executed during the mandatory trading phase in the mock trading session script.

It should be noted that during the insertion of orders the trading ticks for each market must be followed. We emphasize that the correct ticks for limited orders in the U.S. dollar and interest rate markets are 0.500 and 0.01, respectively. Orders and trades with incorrect tick sizes will be cancelled.

Additionally, we emphasize that orders with hidden quantities must comply with the following rules:

- (i) the values assumed by the hidden quantity and the apparent quantity must be a multiple of the contract's minimum lot; and
- (ii) the values assumed by the apparent quantity must be greater than ten (10) times the contract's minimum lot.

Mock Trading 1: Buy/Sell Ibovespa Futures

Contract	Market	Action	Order type	Validity	Price	Type of qty	Qty
INDFUT. ..	Futures	Buy	Limit	Day	Any price	Disclosed	10
INDFUT. ..	Futures	Sell	Limit	Day	Buy price + 50 points	Disclosed	10
INDFUT. ..	Futures	Modify buy	Limit	Day	Price of first inserted buy	Disclosed	From 10 to 50

Mock Trading 2: Buy/Sell Coffee Futures Options

Contract	Market	Action	Order type	Validity	Price	Type of qty	Qty
ICFOPF.. .	Options	Buy	Limit	Day	Any price	Disclosed	10
ICFOPF.. .	Options	Sell	Limit	Day	Any price	Disclosed	10

Mock Trading 3: Buy/Sell ID Futures

Contract	Market	Action	Order type	Validity	Price	Type of qty	Qty
DI1FUT.. .	Futures	Buy	Limit	Day	Any price	Disclosed	100
DI1FUT.. .	Futures	Sell	Limit	Day	Buy price + 10bps	Disclosed	100
DI1FUT ...	Futures	Sell	Limit	Day	Buy price + 10bps	Hidden	1000 (50)
DI1FUT.. .	Futures	Cancel buy	Limit	Day			
DI1FUT.. .	Futures	Cancel sell	Limit	Day			

Mock Trading 4: Buy/Sell US Dollar Futures – Hidden Quantity

Contract	Market	Action	Order type	Validity	Price	Type of qty	Qty
DOLFUT ...	Futures	Buy	Limit	Day	Any price	Hidden	1000 (100)
DOLFUT ...	Futures	Sell	Limit	Day	Any price + BRL 0.500	Hidden	1000 (100)
DOLFUT ...	Futures	Modify sell	Limit	Day	Any price + BRL 0.500	Disclosed	1000
DOLFUT ...	Futures	Sell	Limit	TON	Buy price	Disclosed	1200
DOLFUT ...	Futures	Buy	Limit	EOC	Sell price	Disclosed	500

Mock Trading 4: Buy/Sell FRA on the ID x U.S. Dollar Spread (FRC)

Contract	Market	Action	Order type	Validity	Price	Type of qty	Qty
FRCFUT.. .	Futures	Buy	Limit	Day	Any price	Disclosed	500
FRCFUT.. .	Futures	Sell	Limit	Day	Any price	Disclosed	800
FRCFUT.. .	Futures	Cancel buy	Limit	Day	Any price	Disclosed	
FRCFUT.. .	Futures	Modify sell	Limit	Day	Any price	Disclosed	From 800 to 1000