

SUBMISSION COVER SHEET

Exchange Identifier Code (optional) 05-11

Date February 1, 2005

ORGANIZATION

CME

FILING AS A:

DCM

DCO

DTEF

TYPE OF FILING

- **Rule Amendments**

Self-Certification Under Reg. 40.6(a) or 41.24

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

- **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

15202.E and 152A01.F

DESCRIPTION (Rule Amendments Only)

Increase non-spot month speculative position limit in CME Lean Hogs futures and options

February 1, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Regulation §40.5. Request for Commission Rule Approval of Amendments to CME Rules 15202 and 152A01. CME Submission #05-11.

Dear Ms. Webb,

I. SUBMISSION

In accordance with Regulation §40.4, Chicago Mercantile Exchange Inc. ("CME") hereby requests review and approval, under the provisions of Regulation §40.5, of amendments to CME Lean Hogs Futures Rule 15202.E and Options on CME Lean Hogs Futures Rule 152A01.F.

II. TEXT OF PROPOSED RULE CHANGES

The text of the proposed rule amendments is given below. Deletions are bracketed and overstruck, additions are underlined.

LEAN HOG FUTURES

15202. FUTURES CALL

E. Position Limits

No person shall own or control more than:

1. [~~2,400~~] 3,100 contracts long or short in any contract month;
2. 950 contracts long or short in the expiring contract month as of the close of business on the fifth business day of the contract month.

For positions involving options on Lean Hogs futures, this rule is superseded by the option speculative position limit rule.

OPTIONS ON LEAN HOG FUTURES

152A01. OPTION CHARACTERISTICS

F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

1. [~~2,400~~] 3,100 futures equivalent contracts net on the same side of the market in any contract month;
2. 950 futures equivalent contracts net on the same side of the market in the expiring contract month as of the close of business on the fifth business day of the contract month.

For purposes of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and along underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

III. EFFECTIVE DATE AND RULE PROMULGATING AUTHORITY

The Board of Directors, pursuant to Rule 230.j., approved these proposed amendments at its Regular Meeting of January 31, 2005. The amendments will become effective for all contract months after Commission approval.

IV. OPERATION, PURPOSE AND EFFECT OF THE PROPOSED AMENDMENTS

The amendments increase the speculative position limits of Lean Hogs futures and options for non-spot contract months.

The increase for non-spot contract months is based on the increased levels of open interest in the last year for the nearby futures and options contract months. The level of 3100 contracts was arrived at using a formula established by Regulation §150.5(c)(2). The data used in the calculation has been sent electronically to the Commission's staff for review.

V. OPPOSING VIEWS

There were no substantive opposing views to the proposed amendments.

VI. APPLICATION OF THE ACT AND REGULATIONS

There does not appear to be any need for amendment or interpretation of the Act and Regulations in order to approve the proposed amendments.

VII. CONFIDENTIAL TREATMENT

Confidential treatment is not requested for this submission.

If I or my staff can assist in the review process, please do not hesitate to call.

Sincerely,



John W. Labuszewski, Director
Research & Product Development