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October 22, 2003

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21st Street, NW  
Washington, DC 20581

Reference File # 2371.01  
Rule Certification

Dear Ms. Webb:

By this letter, the Board of Trade of the City of Chicago, Inc. (CBOT<sup>®</sup>) hereby certifies, pursuant to Commission Regulation 40.6 and Section 5c(c)(1) of the Commodity Exchange Act, that the attached amendments to Regulations 425.01 and 425.07 comply with the Act and the rules thereunder.

The referenced amendments will replace position limits in 2-Year Treasury Note futures and options with position accountability. Specifically, amended Regulation 425.01 will eliminate spot month and aggregate position limits in 2-Year Treasury Note contracts, and amended Regulation 425.07 will establish position accountability in 2-Year Treasury Note contracts of 7,500 aggregate futures and/or futures-equivalent contracts or 20,000 aggregate option contracts.

The CBOT intends to implement these changes no sooner than one day following the Commission's receipt of this filing.

There were no opposing views among the CBOT's Board of Directors regarding the referenced changes.

Respectfully submitted,

Paul J. Draths  
Vice President and Secretary

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Additions are underlined; deletions are struck through.

**425.01 Position Limits —**

- (a) For the purposes of this Regulation, the following are definitions of titles used in position limit chart-

**Spot Month** — Spot month futures-equivalent position limit net long or net short effective at the start of trading on the first business day prior to the first trading day of the spot month.

**Single Month** — Futures-equivalent position limit net long or net short in any one month other than the spot month.

**All Months** — Position limit net long or net short in all months and all strike prices combined. Note: Long futures contracts, long call options, and short put options are considered to be on the long side of the market while short futures contracts, long put options, and short call options are considered to be on the short side of the market. For each commodity, the futures-equivalents for both the options and futures contracts are aggregated to determine compliance with the net long or net short same side position limits.

**Reportable Futures Level** — Reportable futures position in any one month.

**Reportable Options Level** — Reportable options position in any one month in each option category. Note: Option categories are long call, long put, short call, and short put.

**Net Equivalent Futures Position** — Each option contract has been adjusted by the prior day's risk factor, or delta coefficient, for that option which has been calculated by the Board of Trade Clearing Corporation.

For the purpose of this Regulation:

- (i) An option contract's futures-equivalency shall be based on the prior day's delta factor for the option series, as published by the Board of Trade Clearing Corporation. For example, 8 long put contracts, each with a delta factor of 0.5, would equal 4 futures-equivalent short contracts.
- (ii) Long futures contracts shall have a delta factor of +1, and short futures contracts shall have a delta factor of -1.
- (iii) Long call options and short put options shall have positive delta factors.

(iv) Short call options and long put options shall have negative delta factors.

(v) An eligible option/option or option/futures spread is defined as an intra-month or inter-month position in the same Chicago Board of Trade commodity in which the sum of the delta factors is zero.

(b) Except as provided in Regulations 425.03, 425.04 and 425.05, the maximum positions which any person may own, control, or carry are as follows:

(Note: All position limits and reportable positions are in number of contracts and are based on futures or \*Net Equivalent Futures Positions.

\*Please see section (a) of this Regulation for definition.

CONTRACT	*SPOT MONTH	*SINGLE MONTH	*ALL MONTH	*REPORTABLE FUTURES LEVEL	*REPORTABLE OPTIONS LEVEL
Long Term Fannie Mae <sup>®</sup> Benchmark Notes <sup>sm</sup> and Freddie Mac Reference Notes <sup>sm</sup>	5,000	None	5,000	100	100
Medium Term Fannie Mae <sup>®</sup> Benchmark Notes <sup>sm</sup> and Freddie Mac Reference Notes <sup>sm</sup>	5,000	None	5,000	100	100
10-Year Interest Rate Swap	None	None	None	500	500
5-Year Interest Rate Swap	None	None	None	500	500
CBOT X-Fund	5,000	5,000	5,000	25	
CBOT Dow Jones Industrial Average <sup>sm</sup> Index	None	None	50,000 (aggregate DJIA <sup>sm</sup> limit, see #9)	100	100
CBOT mini-sized Dow <sup>sm</sup> (\$5 multiplier)	None	None	50,000 (aggregate DJIA <sup>sm</sup> limit, see #9)	100	
CBOT Dow Jones-AIG Commodity Index <sup>sm</sup>	None	None	15,000	25	
CBOT mini-sized Silver	1,500	1,500	3,000	750	
CBOT mini-sized Gold	4,000	4,000	6,000	600	
U.S. Treasury Bonds	None	None	None	1,000	1,000
mini-sized U.S. Treasury Bonds	None	None	None	1,000	
U.S. Treasury Notes (5yr.)	None	None	None	800	800
U.S. Treasury Notes (6 1/2-10yr.)	None	None	None	1,000	1,000
mini-sized U.S. Treasury Notes (6 1/2-10 yr.)	None	None	None	1,000	
U.S. Treasury Notes (2yr.)	<del>None</del> 5,000	None	<del>None</del> 5,000	500	500
30 Day Fed Fund	None	None	None	300	300
10-Year Municipal Note Index	5,000	None	5,000	100	
mini-sized Eurodollars	10,000	10,000	10,000	400	
Corn and CBOT mini-sized Corn	600 (aggregate, see #10)	5,500 (aggregate, see #1, 10)	9,000 (aggregate, see #1, 3, 10)	150 (individual, see #11)	150
Soybeans and CBOT mini-sized Soybeans	600 (aggregate, see #10)	3,500 (aggregate, see #1, 10)	5,500 (aggregate, see #1, 4, 10)	100 (individual, see #11)	100
Wheat and CBOT mini-sized Wheat	600 (aggregate, see #8, 10)	3,000 (aggregate, see #1, 10)	4,000 (aggregate, see #1, 7, 10)	100 (individual, see #11)	100
Oats	600	1,000 (see#1)	1,500 (see#1,6)	60	60
Rough Rice	600 (see#5)	1,000	1,000 (see#2)	50	50
Soybean Oil	540	3,000 (see#1,7)	4,000 (see#1,7)	200	200
Soybean Meal	720	3,000 (see#1,7)	4,000 (see#1,7)	200	200

- Remainder of regulation is unchanged. -

Additions are underlined; deletions are struck through.

425.07

**Position Accountability for Long-Term, ~~and~~ Medium-Term, ~~and~~ Short-Term Treasury Notes** — A person as defined in Regulation 425.01(c), who owns or controls an aggregate position in Long-Term Treasury Note futures and mini-sized Long-Term U.S. Treasury Note futures of more than 7,500 Long-Term Treasury Note futures contracts and/or futures-equivalent contracts or more than 7,500 Medium-Term Treasury Note futures and/or futures-equivalent contracts or more than 7,500 Short-Term Treasury Note futures and/or futures-equivalent contracts, net long or net short in all months and strike prices combined, or net long or net short futures contracts in the spot month, or 20,000 option contracts for all months and all strike prices combined in each option category as defined in Regulation 425.01 (a) shall thereby be subject to the following provisions:

- Such person shall provide, in a timely manner upon request by the Association, information regarding the nature of the position, trading strategy, and hedging information if applicable.
- Such person automatically shall consent, when so ordered by the Association acting in its discretion, not to increase further the position in Long-Term Treasury Notes, mini-sized Long-Term U.S. Treasury Notes, ~~or~~ Medium-Term Treasury Notes, or Short-Term Treasury Notes which exceeds the above-referenced 7,500 futures and/or futures-equivalent contracts or 20,000 option contracts level.
- Such positions must be initiated and liquidated in an orderly manner.

For purposes of this regulation, all positions in accounts for which a person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such person. The provisions of this regulation shall apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

Nothing herein shall limit the jurisdiction of the Association.