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October 23, 2003

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Reference File # 2376.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6, the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Amendments to Regulations 4404.01 and 4406.01 per the attached texts (additions underlined; deletions bracketed).**

The referenced amendments will modify the specifications for CBOT *Dow Jones Industrial AverageSM Index futures options as follows:

- To reduce the proliferation of strike prices, revised Regulation 4404.01 will establish a quarterly process to "re-set" each listed month's strike prices and to delist strikes which have become deep-out-of-the-money and which have no open interest.
- To conform with other CBOT options, revised Regulation 4406.01 will amend the cabinet trade provision to allow for cabinet trading in \$1.00 increments up to but not including the contract's minimum tick size.

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

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There were no opposing views among the CBOT's Board of Directors concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions are underlined, deletions are bracketed

4404.01 Striking Prices-Trading shall be conducted for put and call options with striking prices in integral multiples of one hundred (100) index points per CBOT Dow Jones Industrial Average Index futures contract and in integral multiples of two hundred (200) index points per CBOT Dow Jones Industrial Average Index futures contract as follows:

- A. At the commencement of trading for quarterly and non-quarterly expirations, the following strike prices in one hundred point intervals shall be listed: one with a striking price closest to the previous day's settlement price on the underlying CBOT Dow Jones Industrial Average Index futures contract and the next twenty consecutive higher and the next twenty consecutive lower striking prices closest to the previous day's settlement price. If the previous day's settlement price is midway between two striking prices, the closest price shall be the larger of the two. Over time new striking prices will be added to ensure that at least twenty one hundred point striking prices always exist above and below the previous day's settlement price in the underlying futures.
 - B. At the commencement of trading for quarterly and non-quarterly expirations, the following strike prices in two hundred point intervals shall be listed: the next ten consecutive higher and the next ten consecutive lower strike prices above and below the strike price band as stipulated in Regulation 4404.01 (A). Over time new striking prices will be added to ensure that at least ten striking prices in two hundred point intervals always exist above and below the strike price band as stipulated in Regulation 4404.01 (A).
 - C. At the end of each quarterly cycle, the Exchange shall reset every listed month's strike prices to conform with Regulation 4404.01(A) and Regulation 4404.01(B). The newly calculated strike price band will be based on the final settlement price on the last business day of the quarterly cycle of the underlying futures contract. The Exchange will delist all previously listed strike prices that are not one of the newly calculated strike prices, provided that the strike to be delisted has neither call nor put open interest.
- [C.] D. All new strike prices will be added prior to the opening of trading on the following business day. The Exchange may modify the procedure for the introduction of striking prices as it deems appropriate in order to respond to market conditions.

4406.01 Option Premium Basis – The premium for CBOT Dow Jones Industrial Averagesm Index options shall be in multiples of one-half (1/2) of one index point of a CBOT Dow Jones Industrial Averagesm Index futures contract which shall equal \$5.

However, when both sides of the trade are closing transactions, the option premium may range from \$1.00 to [~~\$5.00~~] \$4.00 in \$1.00 increments per option contract.