

2003 11 04 14:30



November 4, 2003

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

RE: Changes to Rule 255A02. **LISTING OF EXERCISE PRICES.** Submitted per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a). CME Submission # 03-108.

Dear Ms. Webb:

Chicago Mercantile Exchange ("CME" or "Exchange") hereby notifies the Commission of the following amendments to Rule 255A02. **LISTING OF EXERCISE PRICES.** Currently, the Exchange lists put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract and the next twelve higher and the next twelve lower regular exercise prices for Australian dollar options.

The amendments detailed in the attached Appendix will allow the Exchange to now list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract and the next twenty-one higher and the next twenty-one lower regular exercise prices.

This will be implemented on Friday, December 5, 2003 upon notification to shareholders and members.

The Exchange certifies that these actions neither violate nor are inconsistent with any portion of the Commodity Exchange Act or of the rules thereunder.

The text of these changes is provided in Appendix 1 to this document below - with additions underlined and deletions bracketed and overstruck. A clean copy of the amended section of the rules and the interpretation are provided in Appendix 2 to this document.

30 South Wacker Drive, Chicago IL 60606-7499, Tel. 312-930-1000

Ms. Jean A. Webb
December 4, 2003
Page 3 of 5

Please do not hesitate to contact Ms. Lori Aldinger at 312-930-2337 or laldinge@cme.com if any questions arise during the processing of this submission. Please reference our CME Submission #03-108 on all future correspondence for this submission.

Sincerely,



John W. Labuszewski, Director
Research & Product Development

CC: Mr. Thomas M. Leahy and Mr. Steven B. Benton,
CFTC Division of Market Oversight, Product Review & Analysis Section
Mr. David Van Wagner, CFTC Division of Market Oversight, Rule Review Section
Mr. Richard W. Q. Fung, CFTC Central Region

Appendix 1: Amended Rules

(Additions are underlined while deletions are bracketed and overstruck.)

255A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar futures, the Exchange shall list put and call options at the next [~~twelve~~] twenty-one higher and next [~~twelve~~] twenty-one lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the [~~twelfth~~] twenty-first highest or [~~twelfth~~] twenty-first lowest existing regular exercise prices for options on Australian dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[Remainder of rule is unchanged.]

Appendix 2: Clean Copy of Amended Rules

255A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar futures, the Exchange shall list put and call options at the next twenty-one higher and next twenty-one lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the twenty-first highest or twenty-first lowest existing regular exercise prices for options on Australian dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[Remainder of rule is unchanged.]