



December 8, 2003

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

RE: Rule Certification of Amendments to Long-Short Technology
TRAKRS futures. Submitted per Sec. 5c(c)(1) of the CEA and
Regulation Sec. 40.6(a) Thereunder. CME Submission # 03-106.

Dear Ms. Webb:

The Chicago Mercantile Exchange ("CME" or "Exchange") hereby notifies the Commission of amendments to its Rules governing Long-Short Technology TRAKRS futures. The Board Steering Committee, acting pursuant to its authority delegated by the Board of Directors, approved these amendments at its meeting of December 1, 2003. The Exchange plans to implement these amendments on December 10, 2003.

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 Exchange proposes to list an additional contract month or "tranche" which will be designated "Long-Short Technology TRAKRS II" futures (or "LS Tech TRAKRS II"). This tranche will be marketed during a Special Marketing Period commencing on December 10, 2003 and concluding on the Special Opening Date of January 28, 2004 with Special Opening Procedures per Rule 36402.K. Subsequently, this tranche will be traded on the GLOBEX[®] electronic trading platform commencing January 29, 2004 with a Final Settlement Date of January 11, 2007.

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

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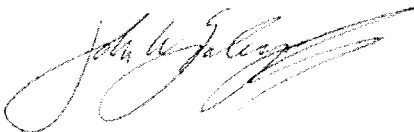
The value of the underlying Index will be "reset" to 23.00 for purposes of offering and trading LS Tech TRAKRS II futures. (Note that the Long-Short Technology TRAKRS Index has advanced significantly from its Initial Index Value of 23.50 established on July 31, 2002 or the Initial Opening Date of the first contract month or tranche.) This reset will be accomplished by applying a Multiplier, as described in Rule 36402.B., Trading Unit, as amended, to the value of the Index. This procedure is necessary to the extent that ... (1) the Long-Short Technology TRAKRS Index ("Index") is a pre-existing Index; and (2) the Exchange intends to establish a consistent total contract value for each new contract month or tranche that may be listed. In the case of the second tranche, the Initial Reference Value that results from these steps shall be 23.00.

Further, some of the particulars associated with the Interest Rate Pass-Through mechanism as described in Rule 36404.C., Interest Rate Pass-Through, shall be modified.

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

Please do not hesitate to contact me at 312-466-7469 or jlab@cme.com if any questions arise during the processing of this submission. Please reference our CME Submission #03-106 on all future correspondence for this submission.

Sincerely,



John W. Labuszewski, Director
Research & Product Development

CC: Mr. Thomas Leahy, CFTC Division of Trading and Markets

Appendix 1: Amended Rules

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

CHAPTER 364: LONG-SHORT TECHNOLOGY TRAKRS INDEX FUTURES

36400. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the Long-Short Technology TRAKRS Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

36401. COMMODITY SPECIFICATIONS

~~[One Long-Short Technology TRAKRS Index futures contract shall be valued at \$1 times the Long-Short Technology TRAKRS Index.]~~ The Exchange may list multiple contract months or "tranches" based on the Long-Short Technology TRAKRS Index. The Long-Short Technology TRAKRS Index is an index constructed using both long and short components drawn from the technology sector of the domestic equity market and calculated on the basis of total return, *i.e.*, the Index value is reflective of price fluctuations plus accrued dividends.

36402. FUTURES CALL

36402.A. Schedule

~~[The Exchange shall list a single contract month in Long-Short Technology TRAKRS Index futures. The final settlement date shall be July 27, 2005.]~~ The Exchange shall list contract months or tranches in Long-Short Technology TRAKRS per the schedule shown in the table below. Futures contracts shall be scheduled for trading during such hours as may be determined by the Board of Directors. These provisions are subject to the requirement that all such determinations and other actions implementing such determinations be submitted to the Commodity Futures Trading Commission in accordance with the provisions of Section 5a(a)(12)(A) of the Commodity Exchange Act and all Commission regulations thereunder.

<u>Contract Month or Tranche</u>	<u>Special Marketing Period Commences</u>	<u>Special Opening Date</u>	<u>1st Regular Trading Date</u>	<u>Final Settlement Date</u>
1 st Tranche	July 8, 2002	July 31, 2002	August 1, 2002	July 27, 2005
2 nd Tranche ("Long-Short Technology TRAKRS II")	December 10, 2003	January 28, 2004	January 29, 2004	January 11, 2007

36402.B. Trading Unit

One Long-Short Technology TRAKRS Index futures contract shall be valued at \$1 times the Long-Short Technology TRAKRS Index times a multiplier (the "Multiplier"). With respect to the first contract month or tranche, the Multiplier shall be 1 and the Index shall be established at an Initial Index Value of 23.50. With respect to subsequent contract months or tranches, the Calculation Agent will identify the "Multiplier" so that the product of the closing price of the Index on the Special Opening Date associated with the contract month or tranche multiplied by the Multiplier will equal the Initial Reference Value. If the closing price of the Index is not available on the Special Opening Date, the Multiplier will be identified based on the next available closing price of the Index over the first ten business days of regular trading of the contract month or tranche. If the closing price of the Index does not become available over the first ten business days of regular trading of the contract month or tranche, the Calculation Agent will determine the Index value in its sole discretion.

<u>Contract Month or Tranche</u>	<u>Initial Reference Value</u>
2 nd Tranche ("Long-Short Technology TRAKRS II")	23.00

36402.C. Minimum Increments

~~[Bids and offers shall be quoted in terms of the Long-Short Technology TRAKRS Index.]~~ The minimum fluctuation of the futures contract shall be 0.01 index point, equivalent to \$0.01 per TRAKRS futures contract.

36402.D. Position Limits

A person shall not own or control more than 22,000,000 contracts net long or net short in all contract months or tranches combined.

36402.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

36402.F. Exemptions

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 543, and (3) cash-substitute positions described in Rule 36406.

36402.G. Termination of Trading

Futures trading shall terminate on the day of determination of the Final Settlement Price.

36402.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

36402.I. Trading Halts During Regular Trading Hours (RTH)

Trading halts of the Long-Short Technology TRAKRS Index futures contract shall be coordinated with trading halts in the primary securities market. If a trading halt is declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after a trading halt, trading on Long-Short Technology TRAKRS Index futures contract shall resume.

36402.J. [Reserved]

36402.K. Special Opening Procedures

Special Opening Procedures shall be employed to facilitate an orderly market in each contract month or tranche of Long-Short Technology TRAKRS Index Futures contracts. These Special Opening Procedures shall be conducted during a Special Marketing Period. ~~[This Special Marketing Period shall commence on the Commencement Date of July 8, 2002; and, shall culminate in a Special Opening at 3:00 p.m. (Chicago time) on the Initial Open Date of July 31, 2002.]~~ The Special Marketing Period for each contract month or tranche shall commence; and, culminate in a Special Opening at 3:00 p.m. (Chicago time) on the Special Opening Date, per the schedule in Rule 36402.A.

During the Special Marketing Periods, FCMs and notice-registered BDs per Rule 36404.B. may solicit customer orders to buy or sell the current contract month or tranche of Long-Short Technology TRAKRS Index Futures contracts at a specified limit bid price or limit offer price, respectively. ~~[The Special Marketing Period shall conclude at 9:30 a.m. (Chicago time) on the Initial Open Date. Clearing Members shall report their limit buy and limit sell orders to the Exchange in a manner and format specified by the Exchange by 9:30 a.m. (Chicago time) on the Initial Open Date.]~~ With respect to the first contract month or tranche, the Special Marketing Period shall conclude at, and Clearing Members shall report their limit buy and limit sell orders to the Exchange, in a manner and format specified by the Exchange, by, 9:30 a.m. (Chicago time) on the Special Opening Date. With respect to all subsequent tranches, the Special Marketing Period shall conclude at, and Clearing Members shall report their limit buy and limit sell orders to the Exchange, in a manner and format specified by the Exchange, by, 11:00 a.m. (Chicago time) on the Special Opening Date of such tranche.

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The Exchange shall thereupon match purchase and sale orders based upon an Allocation Algorithm and report such matches to Clearing Members. The Exchange shall match buy orders to sell orders prioritized by sell price. At each sell price at which buy orders will be matched, buy orders with limit prices equal to or greater than the sell price shall be allocated on a pro rata basis. If multiple sell orders are received at the same limit price, and the total sell order quantity exceeds the total buy order quantity that may be matched at that price, the allocation of orders shall be made on a pro rata basis by reference to the quantities associated with such orders, subject to the restriction that all sell orders at that price are filled before a proprietary sell order of Merrill Lynch, if any.

The Exchange reserves the authority to limit the size of the open interest created as a result of these Special Opening Procedures. The Exchange further reserves the authority to delay the [Initial] Special Opening Date if it determines in its discretion that market conditions are not conducive to an orderly opening.

~~[The Initial Index Value shall be established at 3:00 p.m. (Chicago time) by Merrill Lynch, acting in its capacity as Index Compilation Agent. The Initial Index Value shall be established at 23.50 Index Points.]~~

The Initial Index Value shall be established at 23.50 Index Points at 3:00 p.m. (Chicago time) on July 31, 2002 by Merrill Lynch, acting in its capacity as Index Compilation Agent. The Multipliers, for each subsequent contract month or tranche, shall be established at 3:00 p.m. (Chicago time) on the Special Opening Date of such contract month or tranche, as described in Rule 36402.B.

Subsequent to the conclusion of these Special Opening Procedures, trading shall be conducted on the GLOBEX electronic trading platform per the Rules of the Exchange.

36403. DELIVERY

Delivery under the Long-Short Technology TRAKRS Index Futures contract shall be by cash settlement.

36403.A. Final Settlement Price

~~[The Final Settlement Price shall be determined on July 27, 2005, or, if the Long Short Technology TRAKRS Index is not published for that day, on the first preceding day for which the Index is scheduled to be published.]~~

The Final Settlement Price shall be determined on the Final Settlement Date for each such contract month or tranche, per the schedule in Rule 36402.A. If the Long-Short Technology TRAKRS Index is not published on the Final Settlement Date for such contract month or tranche, the Final Settlement Price shall be determined on the first day preceding the Final Settlement Date for such contract month or tranche for which the Index is scheduled to be published.

If the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or NASDAQ are not open on the day scheduled for the determination of the Final Settlement Price for such contract month or tranche, then the NYSE-stock, AMEX-stock or NASDAQ-stock component(s) of the Final Settlement Price shall be based on the next opening prices for NYSE, AMEX and NASDAQ stocks.

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[The Final Settlement Price shall be a quotation of the Long-Short Technology TRAKRS Index based on the closing prices of the component stocks in the index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement.]

The Final Settlement Price shall be based upon a quotation of the Long-Short Technology TRAKRS Index, adjusted as described in Rule 36402.B., and based on the closing prices of the components in the Index, or on the last sale price of a component that does not open for trading on the Final Settlement Date. If the closing price of the Index is not available as of the Final Settlement Date, the Calculation Agent will identify the Final Settlement Price based on the next available closing price of the Index over the following ten business days. If the closing price of the Index does not become available over the following ten business days, then, in order to identify the Final Settlement Price, the Calculation Agent will determine the Index value in its sole discretion.

36403.B. Delivery

Clearing members holding open positions in a Long-Short Technology TRAKRS futures contract at the time of termination of trading in that contract month or tranche shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

36403.C. [Reserved]

36403.D. Early Termination

If the value of the Long-Short Technology TRAKRS Index should at any time equal zero or less, trading in Long-Short Technology TRAKRS futures shall be discontinued and all outstanding contracts shall be settled in cash at a value of zero (\$0.00) per contract.

36404. FLOW OF FUNDS

36404.A. Customers

For purposes of this Rule, "Institutional Customers" are market participants that (1) qualify as Qualified Institutional Buyers ("QIBs") under Rule 144A promulgated under the Securities Act of 1933, as amended; and, (2) CME members registered as floor brokers or floor traders. "Non-Institutional Customers" are market participants that do not qualify as Institutional Customers as defined herein.

36404.B. Qualified Intermediaries

Non-Institutional Customers may place orders for Long-Short Technology TRAKRS Index futures only through a registered Introducing Broker ("IB"); a Futures Commission Merchant ("FCM"); a securities Broker-Dealer ("BD") that is notice registered with the National Futures Association ("NFA") as a limited-purpose FCM ("LP/FCM"); or, an entity that is dually registered as a BD and FCM ("BD&FCM," and together with an LP/FCM, "BD/FCM"). Similarly, non-institutional customers may place orders for Long-Short Technology TRAKRS Index futures with an Associated Person ("AP") of an IB or FCM, or a registered representative ("RR") of a BD/FCM who is notice registered with the NFA as a limited-purpose AP ("RR/AP").

Institutional Customers may place orders for Long-Short Technology TRAKRS Index futures contracts only through an IB or FCM. LP/FCMs and RR/APs may not solicit or accept Long-Short Technology TRAKRS Index orders from Institutional Customers.

36404.C. Interest Rate Pass-Through

Clearing members holding open long positions in a Long-Short Technology TRAKRS Index futures contract shall make payment to the Clearing House on a daily basis equal to the most recently available closing daily overnight Fed Funds Effective Rate, as determined by the Federal Reserve, less a Spread [~~of 1.50%~~] for such contract month or tranche as shown in the table below, applied to the current contract value based on the settlement price. Said payment shall be passed through the Clearing House to clearing members holding short positions in a Long-Short Technology TRAKRS Index futures contract.

Institutional Customers holding long Long-Short Technology TRAKRS Index futures positions must make such payments to their clearing member and Institutional Customers holding short Long-Short Technology TRAKRS Index futures positions will receive such payments from their clearing member. It is the responsibility of the clearing member to administer such payments.

If the Fed Funds Effective Rate is less than the Spread [~~of 1.50%~~] for such contract month or tranche as shown in the table below, then said a daily payment in an amount equal to [a] the Spread [~~of 1.50%~~] for such contract month or tranche as shown in the table below less the Fed Funds Effective Rate, divided by 360, applied to the current contract value based on the settlement price, shall be passed through the Clearing House from clearing members holding open short positions to clearing members holding long positions in a Long-Short Technology TRAKRS Index futures contract. Institutional Customers holding short Long-Short Technology TRAKRS Index futures positions must make such payments to their clearing member and Institutional Customers hold long Long-Short Technology TRAKRS Index futures payments will receive such payments from their clearing member. It is the responsibility of the clearing member to administer such payments.

In addition, an Amortizing Spread may be applied during the 30-day period beginning on the Initial Opening Date of a contract month or tranche. The Amortizing Spread on a daily basis shall be calculated as the Amortizing Spread Rate for such contract month or tranche as shown in the table below, divided by 30, applied to a value of \$25.

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<u>Contract Month or Tranche</u>	<u>Spread</u>	<u>Amortizing Spread Rate</u>
1 st Tranche	1.50%	0%
2 nd Tranche ("Long-Short Technology TRAKRS II")	1.10%	3.00%

36404.D. Performance Bond

Non-Institutional Customers purchasing Long-Short Technology TRAKRS Index futures contracts shall deposit 100% of the purchase price with their long clearing member. Non-Institutional Customers selling Long-Short Technology TRAKRS Index futures contracts shall deposit 50% of the sale price with their short clearing member.

Institutional Customers shall be subject to the performance bond requirements established by the Exchange and their FCMs.

36404.E. Settlement Variation

Non-Institutional Customers that purchase Long-Short Technology TRAKRS Index futures shall not be subject to variation margin procedures nor shall they pay or collect settlement variations with respect to their Long-Short Technology TRAKRS Index futures positions.

Non-Institutional Customers that sell Long-Short Technology TRAKRS Index futures shall be subject to variation margin pay and collect requirements per the following conditions. If the settlement price advances such that a Non-Institutional Customer's performance bond is less than 30% of the current Long-Short Technology TRAKRS Index futures contract value, the Non-Institutional Customer shall be required to make a variation margin payment to restore the performance bond to 50% of the current Long-Short Technology TRAKRS Index futures contract value. If the settlement price declines such that a Non-Institutional Customer's performance bond is greater than 70% of the current Long-Short Technology TRAKRS Index futures contract value, the Non-Institutional Customer shall be entitled to collect a variation margin payment to restore the performance bond to 50% of the current Long-Short Technology TRAKRS Index futures contract value.

Institutional Customers shall be subject to normal variation margin procedures.

36405. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If delivery or acceptance or any precondition or requirement of either is prevented by a strike, fire, accident, action of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

36406 CASH-SUBSTITUTE POSITIONS

For purposes of this rule, the term "cash-substitute positions" means long positions which are economically appropriate to the management of risks in the conduct and management of a commercial enterprise engaged substantially in the cash equities market, and whose underlying commodity value does not exceed the sum of:

1. Cash set aside in an identifiable manner, or unencumbered short-term U.S. Treasury obligations or other U.S. dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions; and
2. Accrued profits on such positions held at the futures commission merchant. A clearing member shall not carry a cash-substitute account which by itself or in accumulative total with other accounts of the owner exceeds the speculative position limits of Chapter 40, unless the President approves and unless the applicant has applied to the Division of Market Regulation on forms provided by the Exchange, wherein he requests a maximum number of positions, fully explains the nature and extent of his business, and states under oath that:
 1. The intended positions will be cash-substitute positions.
 2. The positions are kept in a special account on the books of a clearing member.
 3. The prospective applicant will comply with whatever limitations are applied by the Exchange with regard to said positions.
 4. The applicant agrees to submit immediately a supplemental statement explaining any change in circumstances affecting his position.
 5. The applicant complies with all other Exchange rules and requirements.
 6. The positions are moved in an orderly manner in accordance with sound commercial practices, and are not initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The applicant does not use said positions in an attempt to violate or avoid Exchange rules, or otherwise impair the good name or dignity of the Exchange.

The President shall, on the basis of the applicant and supplemental information which the Exchange may request, determine whether the positions shall be approved as cash-substitute positions. The President may impose such limitations as are commensurate with the liquidity of the markets and with the applicant's business needs, financial ability and personal integrity. The President and the Business Conduct Committee may, from time to time, review approvals and, for cause, revoke said approvals or place limitations thereon.

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The applicant may appeal any decision of the President or the Business Conduct Committee to the Board. The applicant shall be exempt from emergency orders reducing speculative limits or restricting trading but only to the extent provided in such order and only if the approvals required by this rule are secured by the applicant.

(End Chapter 364)

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 364

MERRILL LYNCH DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR COMPLETENESS OF THE INDICES OR ANY DATA INCLUDED THEREIN OR OTHERWISE OBTAINED OR DERIVED BY ANY PERSON OR ENTITY FROM THE USE OF THE INDICES. NEITHER MERRILL LYNCH, NOR ITS AFFILIATES, EMPLOYEES AND AGENTS, SHALL HAVE ANY OBLIGATION OR LIABILITY, CONTINGENT OR OTHERWISE, TO CME, ITS MEMBERS OR THEIR CUSTOMERS, IN CONNECTION WITH THE TRADING OF ANY CONTRACT BASED UPON ANY OF THE INDICES. MERRILL LYNCH MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY RESULTS TO BE OBTAINED BY CME, ITS MEMBERS, THEIR CUSTOMERS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE RIGHTS LICENSED THEREUNDER OR FOR ANY OTHER USE. MERRILL LYNCH MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDICES OR ANY DATA INCLUDED THEREIN. MERRILL LYNCH MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO CME, ITS MEMBERS, THEIR CUSTOMERS OR ANY OTHER PERSON OR ENTITY REGARDING THE ABILITY OF AN INDEX TO TRACK THE PERFORMANCE OF THE MARKET SECTORS, ASSET CLASSES OR ANY OTHER INDEX SELECTION CRITERIA APPLICABLE TO SUCH INDEX.

Appendix 2: Clean Copy of Amended Rules

CHAPTER 364: LONG-SHORT TECHNOLOGY TRAKRS INDEX FUTURES

36400. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the Long-Short Technology TRAKRS Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

36401. COMMODITY SPECIFICATIONS

The Exchange may list multiple contract months or "tranches" based on the Long-Short Technology TRAKRS Index. The Long-Short Technology TRAKRS Index is an index constructed using both long and short components drawn from the technology sector of the domestic equity market and calculated on the basis of total return, *i.e.*, the Index value is reflective of price fluctuations plus accrued dividends.

36402. FUTURES CALL

36402.A. Schedule

The Exchange shall list contract months or tranches in Long-Short Technology TRAKRS per the schedule shown in the table below. Futures contracts shall be scheduled for trading during such hours as may be determined by the Board of Directors. These provisions are subject to the requirement that all such determinations and other actions implementing such determinations be submitted to the Commodity Futures Trading Commission in accordance with the provisions of Section 5a(a)(12)(A) of the Commodity Exchange Act and all Commission regulations thereunder.

Contract Month or Tranche	Special Marketing Period Commences	Special Opening Date	1 st Regular Trading Date	Final Settlement Date
1 st Tranche	July 8, 2002	July 31, 2002	August 1, 2002	July 27, 2005
2 nd Tranche ("Long-Short Technology TRAKRS II")	December 10, 2003	January 28, 2004	January 29, 2004	January 11, 2007

36402.B. Trading Unit

One Long-Short Technology TRAKRS Index futures contract shall be valued at \$1 times the Long-Short Technology TRAKRS Index times a multiplier (the "Multiplier"). With respect to the first contract month or tranche, the Multiplier shall be 1 and the Index shall be established at an Initial Index Value of 23.50. With respect to subsequent contract months or tranches, the Calculation Agent will identify the "Multiplier" so that the product of the closing price of the Index on the Special Opening Date associated with the contract month or tranche multiplied by the Multiplier will equal the Initial Reference Value. If the closing price of the Index is not available on the Special Opening Date, the Multiplier will be identified based on the next available closing price of the Index over the first ten business days of regular trading of the contract month or tranche. If the closing price of the Index does not become available over the first ten business days of regular trading of the contract month or tranche, the Calculation Agent will determine the Index value in its sole discretion.

Contract Month or Tranche	Initial Reference Value
2 nd Tranche ("Long-Short Technology TRAKRS II")	23.00

36402.C. Minimum Increments

The minimum fluctuation of the futures contract shall be 0.01 index point, equivalent to \$0.01 per TRAKRS futures contract.

36402.D. Position Limits

A person shall not own or control more than 22,000,000 contracts net long or net short in all contract months or tranches combined.

36402.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

36402.F. Exemptions

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 543, and (3) cash-substitute positions described in Rule 36406.

36402.G. Termination of Trading

Futures trading shall terminate on the day of determination of the Final Settlement Price.

36402.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

36402.I. Trading Halts During Regular Trading Hours (RTH)

Trading halts of the Long-Short Technology TRAKRS Index futures contract shall be coordinated with trading halts in the primary securities market. If a trading halt is declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after a trading halt, trading on Long-Short Technology TRAKRS Index futures contract shall resume.

36402.J. [Reserved]

36402.K. Special Opening Procedures

Special Opening Procedures shall be employed to facilitate an orderly market in each contract month or tranche of Long-Short Technology TRAKRS Index Futures contracts. These Special Opening Procedures shall be conducted during a Special Marketing Period. The Special Marketing Period for each contract month or tranche shall commence; and, culminate in a Special Opening at 3:00 p.m. (Chicago time) on the Special Opening Date, per the schedule in Rule 36402.A.

During the Special Marketing Periods, FCMs and notice-registered BDs per Rule 36404.B. may solicit customer orders to buy or sell the current contract month or tranche of Long-Short Technology TRAKRS Index Futures contracts at a specified limit bid price or limit offer price, respectively. With respect to the first contract month or tranche, the Special Marketing Period shall conclude at, and Clearing Members shall report their limit buy and limit sell orders to the Exchange, in a manner and format specified by the Exchange, by, 9:30 a.m. (Chicago time) on the Special Opening Date. With respect to all subsequent tranches, the Special Marketing Period shall conclude at, and Clearing Members shall report their limit buy and limit sell orders to the Exchange, in a manner and format specified by the Exchange, by, 11:00 a.m. (Chicago time) on the Special Opening Date of such tranche.

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The Exchange shall thereupon match purchase and sale orders based upon an Allocation Algorithm and report such matches to Clearing Members. The Exchange shall match buy orders to sell orders prioritized by sell price. At each sell price at which buy orders will be matched, buy orders with limit prices equal to or greater than the sell price shall be allocated on a pro rata basis. If multiple sell orders are received at the same limit price, and the total sell order quantity exceeds the total buy order quantity that may be matched at that price, the allocation of orders shall be made on a pro rata basis by reference to the quantities associated with such orders, subject to the restriction that all sell orders at that price are filled before a proprietary sell order of Merrill Lynch, if any.

The Exchange reserves the authority to limit the size of the open interest created as a result of these Special Opening Procedures. The Exchange further reserves the authority to delay the ~~[Initial]~~ Special Opening Date if it determines in its discretion that market conditions are not conducive to an orderly opening.

The Initial Index Value shall be established at 23.50 Index Points at 3:00 p.m. (Chicago time) on July 31, 2002 by Merrill Lynch, acting in its capacity as Index Compilation Agent. The Multipliers, for each subsequent contract month or tranche, shall be established at 3:00 p.m. (Chicago time) on the Special Opening Date of such contract month or tranche, as described in Rule 36402.B.

Subsequent to the conclusion of these Special Opening Procedures, trading shall be conducted on the GLOBEX electronic trading platform per the Rules of the Exchange.

36403. DELIVERY

Delivery under the Long-Short Technology TRAKRS Index Futures contract shall be by cash settlement.

36403.A. Final Settlement Price

The Final Settlement Price shall be determined on the Final Settlement Date for each such contract month or tranche, per the schedule in Rule 36402.A. If the Long-Short Technology TRAKRS Index is not published on the Final Settlement Date for such contract month or tranche, the Final Settlement Price shall be determined on the first day preceding the Final Settlement Date for such contract month or tranche for which the Index is scheduled to be published.

If the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or NASDAQ are not open on the day scheduled for the determination of the Final Settlement Price for such contract month or tranche, then the NYSE-stock, AMEX-stock or NASDAQ-stock component(s) of the Final Settlement Price shall be based on the next opening prices for NYSE, AMEX and NASDAQ stocks.

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The Final Settlement Price shall be based upon a quotation of the Long-Short Technology TRAKRS Index, adjusted as described in Rule 36402.B., and based on the closing prices of the components in the Index, or on the last sale price of a component that does not open for trading on the Final Settlement Date. If the closing price of the Index is not available as of the Final Settlement Date, the Calculation Agent will identify the Final Settlement Price based on the next available closing price of the Index over the following ten business days. If the closing price of the Index does not become available over the following ten business days, then, in order to identify the Final Settlement Price, the Calculation Agent will determine the Index value in its sole discretion.

36403.B. Delivery

Clearing members holding open positions in a Long-Short Technology TRAKRS futures contract at the time of termination of trading in that contract month or tranche shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

36403.C. [Reserved]

36403.D. Early Termination

If the value of the Long-Short Technology TRAKRS Index should at any time equal zero or less, trading in Long-Short Technology TRAKRS futures shall be discontinued and all outstanding contracts shall be settled in cash at a value of zero (\$0.00) per contract.

36404. FLOW OF FUNDS

36404.A. Customers

For purposes of this Rule, "Institutional Customers" are market participants that (1) qualify as Qualified Institutional Buyers ("QIBs") under Rule 144A promulgated under the Securities Act of 1933, as amended; and, (2) CME members registered as floor brokers or floor traders. "Non-Institutional Customers" are market participants that do not qualify as Institutional Customers as defined herein.

36404.B. Qualified Intermediaries

Non-Institutional Customers may place orders for Long-Short Technology TRAKRS Index futures only through a registered Introducing Broker ("IB"); a Futures Commission Merchant ("FCM"); a securities Broker-Dealer ("BD") that is notice registered with the National Futures Association ("NFA") as a limited-purpose FCM ("LP/FCM"); or, an entity that is dually registered as a BD and FCM ("BD&FCM," and together with an LP/FCM, "BD/FCM"). Similarly, non-institutional customers may place orders for Long-Short Technology TRAKRS Index futures with an Associated Person ("AP") of an IB or FCM, or a registered representative ("RR") of a BD/FCM who is notice registered with the NFA as a limited-purpose AP ("RR/AP").

Institutional Customers may place orders for Long-Short Technology TRAKRS Index futures contracts only through an IB or FCM. LP/FCMs and RR/APs may not solicit or accept Long-Short Technology TRAKRS Index orders from Institutional Customers.

36404.C. Interest Rate Pass-Through

Clearing members holding open long positions in a Long-Short Technology TRAKRS Index futures contract shall make payment to the Clearing House on a daily basis equal to the most recently available closing daily overnight Fed Funds Effective Rate, as determined by the Federal Reserve, less a Spread for such contract month or tranche as shown in the table below, applied to the current contract value based on the settlement price. Said payment shall be passed through the Clearing House to clearing members holding short positions in a Long-Short Technology TRAKRS Index futures contract.

Institutional Customers holding long Long-Short Technology TRAKRS Index futures positions must make such payments to their clearing member and Institutional Customers holding short Long-Short Technology TRAKRS Index futures positions will receive such payments from their clearing member. It is the responsibility of the clearing member to administer such payments.

If the Fed Funds Effective Rate is less than the Spread for such contract month or tranche as shown in the table below, then said a daily payment in an amount equal to the Spread for such contract month or tranche as shown in the table below less the Fed Funds Effective Rate, divided by 360, applied to the current contract value based on the settlement price, shall be passed through the Clearing House from clearing members holding open short positions to clearing members holding long positions in a Long-Short Technology TRAKRS Index futures contract. Institutional Customers holding short Long-Short Technology TRAKRS Index futures positions must make such payments to their clearing member and Institutional Customers hold long Long-Short Technology TRAKRS Index futures payments will receive such payments from their clearing member. It is the responsibility of the clearing member to administer such payments.

In addition, an Amortizing Spread may be applied during the 30-day period beginning on the Initial Opening Date of a contract month or tranche. The Amortizing Spread on a daily basis shall be calculated as the Amortizing Spread Rate for such contract month or tranche as shown in the table below, divided by 30, applied to a value of \$25.

Contract Month or Tranche	Spread	Amortizing Spread Rate
1 st Tranche	1.50%	0%
2 nd Tranche ("Long-Short Technology TRAKRS II")	1.10%	3.00%

36404.D. Performance Bond

Non-Institutional Customers purchasing Long-Short Technology TRAKRS Index futures contracts shall deposit 100% of the purchase price with their long clearing member. Non-Institutional Customers selling Long-Short Technology TRAKRS Index futures contracts shall deposit 50% of the sale price with their short clearing member.

Institutional Customers shall be subject to the performance bond requirements established by the Exchange and their FCMs.

36404.E. Settlement Variation

Non-Institutional Customers that purchase Long-Short Technology TRAKRS Index futures shall not be subject to variation margin procedures nor shall they pay or collect settlement variations with respect to their Long-Short Technology TRAKRS Index futures positions.

Non-Institutional Customers that sell Long-Short Technology TRAKRS Index futures shall be subject to variation margin pay and collect requirements per the following conditions. If the settlement price advances such that a Non-Institutional Customer's performance bond is less than 30% of the current Long-Short Technology TRAKRS Index futures contract value, the Non-Institutional Customer shall be required to make a variation margin payment to restore the performance bond to 50% of the current Long-Short Technology TRAKRS Index futures contract value. If the settlement price declines such that a Non-Institutional Customer's performance bond is greater than 70% of the current Long-Short Technology TRAKRS Index futures contract value, the Non-Institutional Customer shall be entitled to collect a variation margin payment to restore the performance bond to 50% of the current Long-Short Technology TRAKRS Index futures contract value.

Institutional Customers shall be subject to normal variation margin procedures.

36405. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If delivery or acceptance or any precondition or requirement of either is prevented by a strike, fire, accident, action of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

36406 CASH-SUBSTITUTE POSITIONS

For purposes of this rule, the term "cash-substitute positions" means long positions which are economically appropriate to the management of risks in the conduct and management of a commercial enterprise engaged substantially in the cash equities market, and whose underlying commodity value does not exceed the sum of:

1. Cash set aside in an identifiable manner, or unencumbered short-term U.S. Treasury obligations or other U.S. dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions; and

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2. Accrued profits on such positions held at the futures commission merchant. A clearing member shall not carry a cash-substitute account which by itself or in accumulative total with other accounts of the owner exceeds the speculative position limits of Chapter 40, unless the President approves and unless the applicant has applied to the Division of Market Regulation on forms provided by the Exchange, wherein he requests a maximum number of positions, fully explains the nature and extent of his business, and states under oath that:
 1. The intended positions will be cash-substitute positions.
 2. The positions are kept in a special account on the books of a clearing member.
 3. The prospective applicant will comply with whatever limitations are applied by the Exchange with regard to said positions.
 4. The applicant agrees to submit immediately a supplemental statement explaining any change in circumstances affecting his position.
 5. The applicant complies with all other Exchange rules and requirements.
 6. The positions are moved in an orderly manner in accordance with sound commercial practices, and are not initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The applicant does not use said positions in an attempt to violate or avoid Exchange rules, or otherwise impair the good name or dignity of the Exchange.

The President shall, on the basis of the applicant and supplemental information which the Exchange may request, determine whether the positions shall be approved as cash-substitute positions. The President may impose such limitations as are commensurate with the liquidity of the markets and with the applicant's business needs, financial ability and personal integrity. The President and the Business Conduct Committee may, from time to time, review approvals and, for cause, revoke said approvals or place limitations thereon.

The applicant may appeal any decision of the President or the Business Conduct Committee to the Board. The applicant shall be exempt from emergency orders reducing speculative limits or restricting trading but only to the extent provided in such order and only if the approvals required by this rule are secured by the applicant.

(End Chapter 364)

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 364

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