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cme 
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October 7, 2004

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

RE: Section 5c(c)(1), Part 40.6 - Rule Certification of Amendments
to Chapters 358A, 351A, 355A, 356A Options on E-Mini S&P 500, S&P 500, S&P 500 Growth,
S&P 500 Value Futures and to Rule 557.B., Execution of Orders.
CME Submission 04-86

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission of amendments to Chapters 358A, 351A, 355A, and 356A Options on E-Mini S&P 500, S&P 500, S&P 500 Growth, and S&P 500 Value Futures as well as to Rule 557.B., Execution of Orders. These actions were approved by the Exchange's Board on September 8, 2004 and on October 6, 2004.

The Exchange certifies that this action neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules thereunder.

Customer demand has dictated a change in tick size for the E-Mini S&P 500 options contract. A minimum price fluctuation or tick of 0.05 index points for E-mini S&P 500 options trading at premiums of 3.00 index points or less will be applied. The current tick size of 0.25 index points for premiums above 3.00 index points will be retained.

Further, the standard S&P 500, S&P 500 Growth, and S&P 500 Value option tick sizes will be amended such that options trading at premiums of 3.00 index points or less are quoted in 0.05 index point ticks. Current practices require that options trading at premiums of 2.00 index

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points or less are quoted in 0.05 ticks. This amendment is intended to achieve consistency with amended E-mini quotation practices as stated herein.

CME anticipates an increase in volume in the E-Mini S&P 500 options contract as a result from the change in tick size. It is for this reason that a GLOBEX order entry quantity limit of 1,500 contracts will be applied in order to safeguard against quantity entry errors. Please note that currently there is no order entry limit on options contracts, however, a 400 contract order entry limit is applied to all Equity Index futures contracts traded on GLOBEX.

These rule amendments shall become effective on Sunday November 7, 2004. The text of the Rule amendments is provided in Appendix A below. Appendix B provides a clean copy of the Rule as amended.

If you require any additional information regarding this action, please do not hesitate to contact Ms. Ariel Hantin, Senior Research Analyst at 312-559-4951 or via e-mail at ahantin@cme.com. Please reference our CME Submission #04-86 on all future correspondence regarding this notification.

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

Appendix A: Text of Rule Amendments

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

358A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points, except as provided in Rule 584 (GLOBEX® Volatility Quotes). Each .01 index point (1 basis point) shall represent \$0.50.

The minimum fluctuation shall be .25 index points (also known as one tick). Trades may also occur at a price of ~~[-.125]~~ .05 index points, ~~[\$6.25]~~ \$2.50, ~~[also known as one-half tick],~~ whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$2.50.

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

351A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. ~~[During RTH, a]~~ A trade with a price equal to or less than ~~[2.00]~~ 3.00 index points may also occur at a price in multiples of .05 index points, e.g. 15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50 also known as nineteen and one-half ticks).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

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The price of an option shall be quoted in index points, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. ~~[During RTH, a]~~ A trade with a price equal to or less than ~~[2.00]~~ 3.00 index points may also occur at a price in multiples of .05 index points, e.g., 15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50, also known as nineteen and one-half ticks).

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If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

557.B. Execution of Orders

1. Orders of any quantity may be accepted for stock index futures and options on stock index futures for entry on the GLOBEX System. However, orders exceeding 400 futures contracts must be entered on the GLOBEX System as multiple entries each of which must not exceed 400 contracts. Orders exceeding 1,500 contracts in options on E-mini S&P 500 futures contract must be entered on the GLOBEX System as multiple entries each of which must not exceed 1,500 contracts. This restriction shall not apply to TRAKRS contracts where orders of any quantity may be entered, within normal GLOBEX System limitations.

Appendix B: Clean Copy of Rule as Amended

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