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January 27, 2005

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

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RE: Section 5c(c)(1), Part 40.6 – Amendments to Chapter 361A,
Options on the E-Mini Russell 2000 Index.
CME Submission# 05-08.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission of amendments to Chapters 361A, Options on the E-Mini Russell 2000 Index¹.

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

In order to remain consistent with the standard sized Russell 2000 contract, the Exchange notifies the Commission of its intent to amend the strike listing rules for the E-Mini Russell 2000 options contract. This amendment will come into effect with the listing of options on the E-Mini Russell 2000 contract on February 14, 2005.

¹ Please note that CME submitted a filing for both the futures and the options on futures based on this Index dated August 9, 2001 (CME Submission #01-68). The Exchange commenced trading in E-Mini Russell 2000 Index futures on October 24, 2001. While the Commission approved the Exchange’s associated option Rules, CME held such option listing in reverse. Please also note that CME submitted a filing notifying the Commission of its intent to list options on the E-Mini Russell 2000 on January 14, 2005 (CME Submission # 04-130).

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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 #05-08 on all future correspondence regarding this notification.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large, sweeping flourish at the end.

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.)

CHAPTER 361A E-MINI RUSSELL 2000 STOCK PRICE INDEX™ FUTURES

361A01.E. Exercise Prices

The exercise prices shall be stated in terms of the E-Mini Russell 2000 Stock Price Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be integers divisible by 5 without remainder, e.g., 500, 510, 520, etc.

~~[At the commencement of trading for E-Mini Russell 2000 option contracts the Exchange shall list all eligible exercise prices in a range of 100 basis points above and below the previous day's settlement price of the Russell 2000 futures contract. Within a range of 50 index points above and below the previous day's settlement price of the Russell 2000 futures contract, exercise prices that are integers divisible by 2.5 without remainder shall be added, if they have not already been listed.]~~

A referencing index shall be determined each quarter on the expiration day of the March quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month E-Mini Russell 2000 Index futures contract. The chosen referencing index will then be used to calculate the index points for the 10% range for various contract month options as specified below. The index points are rounded down to the nearest integer.

At the commencement of trading for the second nearest-contract months in the March quarterly cycle, the Exchange shall list all eligible exercise prices in a range of 10% of the referencing index above and below the previous day's settlement price of the underlying futures contract.

The Exchange shall add exercise prices at an interval that is a number divisible by 2.5 in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall also be listed, if not previously listed.

Thereafter, for all contract months, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list on the next trading day put and call options with all eligible exercise prices in the above ranges.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate, subject to the provisions of Section 5a(a)(12)(A) of the Commodity Exchange Act and CFTC regulations thereunder.

Appendix B: Clean Copy of Rules as Amended

CHAPTER 361A E-MINI RUSSELL 2000 STOCK PRICE INDEX™ FUTURES

361A01.E. Exercise Prices

The exercise prices shall be stated in terms of the E-Mini Russell 2000 Stock Price Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be integers divisible by 5 without remainder, e.g., 500, 510, 520, etc.

A referencing index shall be determined each quarter on the expiration day of the March quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month E-Mini Russell 2000 Index futures contract. The chosen referencing index will then be used to calculate the index points for the 10% range for various contract month options as specified below. The index points are rounded down to the nearest integer.

At the commencement of trading for the second nearest-contract months in the March quarterly cycle, the Exchange shall list all eligible exercise prices in a range of 10% of the referencing index above and below the previous day's settlement price of the underlying futures contract.

The Exchange shall add exercise prices at an interval that is a number divisible by 2.5 in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall also be listed, if not previously listed.

Thereafter, for all contract months, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list on the next trading day put and call options with all eligible exercise prices in the above ranges.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate, subject to the provisions of Section 5a(a)(12)(A) of the Commodity Exchange Act and CFTC regulations thereunder.