

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-573

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/17/14 Filing Description: Notice of Emergency Action – Increase in Daily Price Limits Applicable to CME Feeder Cattle Futures and Expansion of Daily Price Limits in CME Feeder Cattle and Live Cattle Futures

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                                     |                                     |            |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/>            | Approval                            | § 40.5(a)  |
| <input type="checkbox"/>            | Notification                        | § 40.6(d)  |
| <input type="checkbox"/>            | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/>            | SIDCO Emergency Rule Change         | § 40.10(h) |

**Rule Numbers: 10202.D. (Daily Price Limits) & 10102.DS (Daily Price Limits)**

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                          |   |                      |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification   | § 40.6(a)            |
| <input type="checkbox"/> | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/> | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/> | Approval  | § 40.5(a)            |
| <input type="checkbox"/> | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/> | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change”                 | § 40.4(b)(5)         |
| <input type="checkbox"/> | Notification  | § 40.6(d)            |

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**



December 17, 2014

**VIA E-MAIL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: CFTC Regulation 40.6(a)(6) Emergency Rule Certification.  
Notification of Emergency Action – Daily Price Limits in CME Feeder Cattle and  
Live Cattle Futures  
CME Submission No. 14-573**

Dear Mr. Kirkpatrick:

On December 17, 2014, a Panel of the Chicago Mercantile Exchange Inc. ("CME") Business Conduct Committee ("Panel") took emergency action under CME Rule 402.C. based on a request from staff. The emergency action:

1. Increases the daily price limit applicable to CME Feeder Cattle ("FC") futures pursuant to Rule 10202.D. ("Daily Price Limits") to \$0.045 per pound from \$0.030 per pound; and
2. Provides for expanded price limits in FC futures and CME Live Cattle ("LC") futures in certain circumstances as set forth below.

FC futures have been locked limit for five consecutive days as a result of various markets factors including potential declining demand. The emergency action taken by the Panel is necessary for promoting price discovery in FC and LC futures contracts and their associated products under current market conditions.

With respect to the expanded limits in FC and LC futures, should one or more futures contract months within the first two listed contract months settle at limit, the daily price limits for all contract months will be expanded to \$0.0675 per pound (FC) and \$0.045 per pound (LC) on the next business day. If neither of the first two listed contract months settle at the expanded limit the next business day, daily price limits for all contract months will revert back to \$0.045 per pound (FC) and \$0.030 per pound (LC), respectively.

The marketplace was notified today of the emergency action via the issuance of a Notice of Emergency Action ("Notice") and CME Group Special Executive Report S-7266 ("S-7266"). A copy of the Notice appears in Exhibit A.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or the "Act"). During the review, we have identified that the emergency action may have some bearing on the following Core Principles:

Emergency Authority: The action by the Panel constitutes an emergency action taken in accordance with the provisions of CME Rule 402.C and which requires prompt notice to be provided to the CFTC under both Commission Regulations and CME Rule 402.C.

Availability of General Information: The emergency action has been communicated to the marketplace via the issuance of a Notice of Emergency Action ("Notice") and CME Group Special

Executive Report S-7266 ("S-7266"). The Notice and S-7266 have been distributed via email to subscribers of these publications in addition to being posted publicly on the CME Group website.

CME certifies that the emergency action to expand the daily price limits in FC futures and to provide for expanded limits as set forth in this submission complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions regarding this submission, please contact David Lehman at 312-930-1875 or via email at [david.lehman@cmegroup.com](mailto:david.lehman@cmegroup.com) or me at 212-299-2200 or via email at [christopher.bowen@cmegroup.com](mailto:christopher.bowen@cmegroup.com).

Sincerely,

/s/

Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments: Exhibit A – Notice of Emergency Action

## Exhibit A

### CHICAGO MERCANTILE EXCHANGE NOTICE OF EMERGENCY ACTION

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**FILE NO.:** CME 14-0061

**SUBJECT:** Modification of Feeder and Live Cattle Futures Price Limits

**APPLICABLE  
CME RULE:** 402.C. BUSINESS CONDUCT COMMITTEE — Emergency Actions (in part)

The BCC is authorized to determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:

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6. Any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange, except that declarations of Force Majeure and actions taken with respect to such declarations will be governed by the provisions of Rule 701.

If the BCC determines that an emergency exists it may take various actions including:

7. Modify price limits.

**EMERGENCY ACTION:** On December 17, 2014, a Panel of the Chicago Mercantile Exchange (“CME”) Business Conduct Committee (“Panel”) took emergency action regarding the price limits in Feeder and Live Cattle Futures. In the good faith exercise of its sole discretion, the Panel determined that the fact that daily price limits for Feeder Cattle Futures traded limit down for 5 consecutive days may have a severe, adverse effect upon the functioning of the Exchange within the meaning of CME Rule 402.C and the integrity of trading in both Feeder Cattle and Live Cattle Futures Contracts. Thus, the Panel determined that an emergency exists and that emergency action is warranted.

for Pursuant to Rule 402.C.7, effective December 18, 2014, the daily price limits Feeder Cattle Futures will be changed from \$3.00 per hundred weight (cwt) to \$4.50 cwt.

In addition, the following expanded daily price limits will be effective beginning December 19, 2014: The daily limits would expand to \$6.75 per cwt in Feeder Cattle Futures and \$4.50 per cwt in Live Cattle Futures if either of the first two listed contract months settle at a limit on a single business day. If neither of the first two listed contract months settle at the expanded limit, then the daily limits for all contract months would revert to the initial levels of \$4.50 per cwt for Feeder Cattle and \$3.00 per cwt for Live Cattle.

**EFFECTIVE  
DATE:** December 18, 2014