

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-575

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/18/14 Filing Description: Request for Expedited Approval to Increase the Daily Price Limits Applicable to CME Feeder Cattle Futures and to Provide for Expanded 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 type="checkbox"/> | Certification | § 40.6(a) |
| <input checked="" 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.D. (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 18, 2014

VIA ELECTRONIC PORTAL

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 40.5(a) Request for Expedited Approval. Revisions to Daily Price Limit Rules for CME Feeder Cattle and Live Cattle Futures.
CME Submission No. 14-575**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME") hereby requests that the Commodity Futures Trading Commission ("CFTC" or "Commission") grant expedited approval pursuant to CFTC Regulations 40.5(a) and 40.5(g) for revisions to CME Rules 10202.D. ("Daily Price Limits") and 10102.D. ("Daily Price Limits") concerning daily price limits in Feeder Cattle ("FC") and Live Cattle ("LC") futures contracts, respectively.

In CME Submission No. 14-573 dated December 17, 2014, the Exchange self-certified to the Commission an emergency action taken in accordance with CME Rule 402.C. The action increases the daily price limit in FC futures from \$0.030 per pound to \$0.045 per pound, and additionally authorizes, under certain circumstances, expanded price limits in FC and LC futures.

At the time of the submission, FC futures remained locked limit for five consecutive days as a result of various markets factors including potential declines in demand. Addressing daily price limits therefore directly facilitated orderly trading and price discovery in FC and LC futures and their associated products.

The revisions to Rules 10202.D. and 10102.D. proposed herein incorporate the emergency action in the terms and conditions of FC and LC futures. Under prevailing market conditions, a daily price limit of \$0.030 per pound in FC has been determined to be too narrow. Expanded daily price limits for FC and LC futures, where one or both of the first two contract months settle at the daily price limit, have also been deemed appropriate.¹ The expanded daily price limits enable these products to continue perform their intended price discovery and risk management functions in those circumstances where either of the first two contract months in either product settles at a limit. The existing daily price limits in each product, however, operate independently and will continue to do so upon approval of the proposed revisions.

The revisions to Rules 10202.D. and 10102.D. appear in Exhibit A, with additions underscored and deletions ~~overstruck~~. CME will make the revisions effective the business day after notification from the CFTC that the revisions have been approved. Additionally, the marketplace will be notified of the proposed revised rules via the issuance of a Special Executive Report.

The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). The proposed revisions may have some bearing on the following Core Principles:

¹ During its final two days of trading, the expiring LC contract month shall be excluded from triggering expanded limits.

Compliance with Rules: Daily price limits are a term and condition pursuant to CFTC definitions in Part 40. The rule revisions will be communicated to the marketplace and will be implemented, monitored and enforced by the Exchange as required under this Core Principle.

Prevention of Market Disruption: The proposed amendments better align daily price limits with prevailing market conditions and are consistent with inhibiting market disruptions, particularly as FC, LC and associated product contract months near their expiration.

Availability of General Information: The proposed amendments will be communicated to the marketplace via the issuance of a Special Executive Report, which will also be posted publicly on the CME Group website.

Execution of Transactions: Given prevailing market conditions, the proposed amendments and consistent with facilitating an efficient market and mechanism for executing transactions that protects the price discovery process.

There were no substantive opposing views to this request for approval to revise Rules 10202.D. and 10102.D.

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 me at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Revisions to Rules 10202.D. and 10102.D.

Exhibit A

(additions underscored; deletions ~~overstruck~~)

CME RULEBOOK

Chapter 102 – Feeder Cattle Futures

10202. TRADING SPECIFICATIONS

[Sections A. – C. are unchanged.]

10202.D. Daily Price Limits

There shall be a daily price limit of \$0.045~~no trading at a price more than \$0.030~~ per pound above or below the previous day's settlement price.

In the event that one or both of the first two listed contract months settle at limit, the daily price limits for all contract months shall expand to \$0.0675 per pound on the next business day.

If neither of the first two listed futures contract months settle at the expanded limit the next business day, daily price limits for all contract months shall revert back to \$0.045 per pound on the following business day.

[The remainder of the rule is unchanged.]

Chapter 101 – Live Cattle Futures

10102. TRADING SPECIFICATIONS

[Sections A. – C. are unchanged.]

10102.D. Daily Price Limits

With the exception of the last two trading days in the expiring contract month, ~~there shall be a daily price limit of no trading at a price more than \$0.030 per pound above or below the previous day's settlement price, except that there shall be no trading at a price more than \$0.050 per pound above or below the previous day's settlement price in the expiring month contract during the last two trading days.~~ In the event that one or both of the first two contract months settle at limit, the daily price limits for all contract months shall expand to \$0.045 per pound on the next business day. If neither of the first two listed futures contract months settle at the expanded limit the next business day, daily price limits for all contract months shall revert back to \$0.030 per pound on the following business day. During the last two days of trading, the expiring contract month shall be excluded from triggering expanded limits.

During the last two trading days in the expiring contract month, there shall be a daily price limit of \$0.050 per pound above or below the previous day's settlement price. All other contract months remain subject to a \$0.030 per pound daily price limit or \$0.045 per pound price limit in the event the daily price limits have been expanded pursuant to the provisions set forth above.

[The remainder of the rule is unchanged.]