

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 15-306

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/16/15 Filing Description: Request for Approval of Rule Amendments to Lean Hog Futures Contract

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input 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:**

**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 checked="" 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: Lean Hog Futures

Rule Numbers: 152

July 16, 2015

**VIA ELECTRONIC PORTAL**

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 40.4(a) and 40.5(a). Request for Approval of Rule Amendments to Lean Hog Futures Contract.  
CME Submission No. 15-306**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.4(a) and 40.5(a), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is requesting approval to amend the daily price limits for the Lean Hog futures contract (CME Rulebook Chapter 152; Clearing code: LN; CME Globex code: HE; CME ClearPort code: LN), effective on Monday, August 31, 2015. These amendments shall apply to all contract months.

The amendments will allow the daily price limits for all Lean Hog futures contracts to expand by an additional \$.015 per pound on the next business day if any of the first three contract months settle at limit. If none of the first three listed futures contract months settle at the expanded limit the next business day, daily price limits for all contract months would revert back to the original level on the following business day. During the last two days of trading, the expiring month contract shall be excluded from triggering expanded limits. It is the intention of the Exchange to make these amendments effective for all contract months beginning on Monday, August 31, 2015.

The amended rules are as follows (additions underlined):

**CME Rulebook**

Chapter 152  
Lean Hog Futures

**15202. TRADING SPECIFICATIONS**

**15202.D. Daily Price Limits**

There shall be no trading at a price more than \$.030 per pound above or below the previous day's settlement price, except that there shall be no daily price limits in the expiring month contract during the last 2 Trading Days. In the event that any of the first three listed 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 none of the first three 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 month contract shall be excluded from triggering expanded limits.

In December 2014, expanded daily price limits were adopted for Live Cattle and Feeder Cattle futures through emergency action that resulted from several consecutive days of settlements at the maximum daily price limit. Since Lean Hog futures did not experience such price movements, no expansion of the daily limits was adopted at that time for Lean Hog futures. However, a recent survey of trading participants has indicated that adoption of expanded price limits for Lean Hog futures is prudent at this time. The number of times that such an expansion would have occurred for Lean Hog futures in recent years is as follows: 2012: 3 times, 2013: 0 times, 2014: 16 times, and 2015: 4 times.

Subsequent to the aforementioned emergency action, the Division of Market Oversight requested that the Exchange provide analysis on the methodology for setting price limit levels and the sufficiency of those levels. These amendments are an outgrowth of that effort and further explanation will be made in a forthcoming letter to the Division.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”) and identified the following Core Principles may be impacted:

- Compliance with the Rules: Trading in these contracts is subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in these contracts is subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, trading activity in these contracts is subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified. The rule amendments certified herein strengthen the ability of the Exchange to monitor and enforce compliance with the rules of the contract market, specifically in respect of trading actions relating to the convergence of cash and futures markets.
- Contracts Not Readily Subject to Manipulation: The rule amendments certified herein will further prevent manipulation by allowing traders to more fully react to changing market fundamentals.
- Prevention of Market Disruption: Trading in Lean Hog futures is subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation and price distortion. As with any product listed for trading on a CME Group designated contract market, trading activity in Lean Hog futures shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.
- Availability of General Information: The Exchange shall publish on the CME Group website information in regard to futures contract specifications, terms and conditions, and any changes. In addition, the Exchange will issue a Special Executive Report (“SER”) to notify the marketplace of the amendments. The SER will be posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.4(a), and 40.5(a) the Exchange hereby certifies that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views.

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](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel