

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 17-348

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

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/28/17 Filing Description: Amendments Increase the Single-Month Speculative Limits Located in the Position Limits, Position Accountability and Reportable Level Table Relating to the Lean Hog Futures and Options Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

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

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

August 28, 2017

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulations 40.4(a)/40.5(a). Request for Approval: Amendments to Increase the Single-Month Speculative Limits Located in the Position Limits, Position Accountability and Reportable Level Table Relating to the Lean Hog Futures and Options Contracts.
CME Submission No. 17-348**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is requesting Commodity Futures Trading Commission (“CFTC” or “Commission”) approval to amend the Position Limits, Position Accountability and Reportable Level Table (the “Table”) relating to the Lean Hog Futures (Rulebook Chapter 152; Commodity Code: LN) and Options on Lean Hog Futures (Rulebook Chapter 152A, Commodity Code LN) contracts (the “Contracts”) effective for trade date Monday, October 16, 2017 and commencing with the December 2017 contract month and beyond.

Specifically, the Exchange is requesting approval to implement an increase in the single-month (or “nonspot”) speculative position limit from 4,575 contracts to 6,000 contracts for the Contracts (See Appendix A).

Upon review of deliverable supply for the Contracts, the Exchange determined that there is ample supply of swine transacted in the underlying cash market during the five trading days that comprise the spot month period. These cash market transactions are subject to USDA mandatory price reporting regulations and are used to calculate the CME Lean Hog Index.

CFTC Regulation 150.5(c)(2) states, in part, that:

“Individual nonspot or all-months-combined levels must be no greater than 10% of the average combined futures and delta-adjusted option month-end open interest for the most recent calendar year up to 25,000 contracts with a marginal increase of 2.5% thereafter...”

The 2016 average month-end futures and futures equivalent open interest in Lean Hog futures was 277,780 contracts. CFTC Regulation 150.5 criteria, when applied to Lean Hogs, suggests that appropriate nonspot speculative position limits would be up to 8,819 single-month contracts. The Exchange recommends nonspot speculative position limits of 6,000 contracts for the Contracts, which are conservative nonspot speculative position limits and consistent with market feedback.

2016	Futures OI	Options OI	Options Delta Adjusted	Total OI
January	179,736	641,810	71,101	250,837
February	195,322	520,533	53,133	248,455
March	230,656	552,532	52,665	283,321
April	223,149	435,419	42,133	265,282
May	229,073	526,025	50,787	279,860
June	257,308	474,168	50,185	307,493
July	223,584	498,661	69,349	292,933
August	210,066	494,147	55,092	265,158
September	223,717	624,590	91,189	314,906
October	224,152	556,744	67,279	291,431
November	217,375	639,983	69,245	286,620
December	197,333	439,643	49,736	247,069
				average
				277,780

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

- **Contracts Not Readily Subject to Manipulation:** The Contracts are not readily subject to manipulation as illustrated in the Cash Market Overview and Analysis of Deliverable Supply attached herein.
- **Position Limitations or Accountability:** The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission’s guidance.
- **Availability of General Information:** The Exchange will make publicly available the details of the increase in the nonspot position limit by publishing a Market Surveillance Notice (“MSN”) to the market. The MSN will be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 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 to the amendments.

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>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – Amendments to CME Chapter 5 – Position Limits, Position Accountability and Reportable Level Table (under separate cover)

Appendix A

**Position Limit, Position Accountability, and Reportable Level Table
in Chapter 5 of the CME Rulebook**

(Attached under separate cover)