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U.S. COMMODITY FUTURES TRADING COMMISSION

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COMMODITY FUTURES
TRADING COMMISSION
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AUG 3 2 55 PM '98

July 31, 1998

Mr. Richard J. McDonald
Vice President, Research
Chicago Mercantile Exchange
30 South Wacker Drive
Chicago, Illinois 60606

Re: Notice that the Chicago Mercantile Exchange Has Been Designated as a Contract Market in Pork Composite Futures and Option Contracts (CME Submission #98-75).

Dear Mr. McDonald:

By submissions dated May 7 and July 15, 1998, the Chicago Mercantile Exchange (CME or Exchange) applied pursuant to Sections 4c and 6 of the Commodity Exchange Act (Act), 7 U.S.C. §§ 6c and 8, and Commission Regulation § 33.5, 17 C.F.R. § 33.5, for designation as a contract market in pork composite futures and option contracts, and for approval of the corresponding rules pursuant to Section 5a(a)(12)(A) of the Act and Regulation 1.41(b).

Acting pursuant to Sections 4c and 5 of the Act, 7 U.S.C. §§ 6c and 7, the Commission on the above date designated the CME as a contract market in pork composite futures and options. Additionally, on the same date, proposed rules --00, --01, --02, --03, and --04, with respect to the futures contract, and proposed rules --00, --01, --02, and --03 with respect to the option contract, were approved by the Commission pursuant to Section 5a(a)(12) of the Act, 7 U.S.C. § 5a(a)(12).

The Commission notes that the spot cash market underlying the cash settlement price for the pork composite futures contract is small relative to spot cash markets for other futures contracts. Therefore, the Exchange should carefully monitor trading in the pork composite futures and options contracts and take appropriate action, such as adjusting the spot month speculative limit provisions, if warranted.

Sincerely,

Catherine D. Dixon
Assistant Secretary of the
Commission

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application of the)
Chicago Mercantile Exchange for)
Designation as a Contract Market in)
Pork Composite Futures)

ORDER OF DESIGNATION

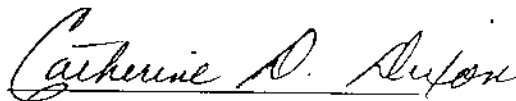
The Chicago Mercantile Exchange (CSCE) having submitted, pursuant to Section 6 of the Commodity Exchange Act (Act), 7 U.S.C. § 8, an application for designation as a contract market in pork composite futures and the Commodity Futures Trading Commission having reviewed the application and the complete record in this matter, and for the reasons set forth in the memorandum submitted to the Commission by its staff recommending designation of this contract market, the Commission finds that for purposes of this application the CME has demonstrated compliance with the requirements of Section 5 of the Act, 7 U.S.C. § 7, and the regulations thereunder. Therefore,

IT IS HEREBY ORDERED, under Section 5 of the Act, 7 U.S.C. § 7, that the application of the CME for designation as a contract market in pork composite futures is granted, and

IT IS FURTHER ORDERED that this grant of designation shall be subject to compliance with all sections of the Act applicable to the CME as a contract market under the Act.

Issued in Washington, D.C., this 31st day of July 1998.

By the Commission



Catherine D. Dixon
Assistant Secretary of the Commission

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application of the)
of the Chicago Mercantile Exchange for)
Designation as a Contract Market in)
Pork Composite Futures Options)

ORDER OF DESIGNATION

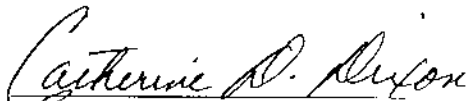
The Chicago Mercantile Exchange (CME) having submitted, pursuant to Sections 4c and 6 of the Commodity Exchange Act (Act), 7 U.S.C. §§ 6c and 8, and Commission Regulation 33.5, 17 C.F.R. §33.5, an application for designation as a contract market in options on pork composite futures contracts and the Commodity Futures Trading Commission having reviewed the application and the complete record in this matter, and for the reasons set forth in the memorandum submitted to the Commission by its staff recommending designation of this contract market, the Commission finds that for purposes of this application the CME has demonstrated compliance with the requirements of Sections 4c and 5 of the Act, 7 U.S.C. §§ 6c and 7, and the regulations thereunder. Therefore,

IT IS HEREBY ORDERED, under Sections 4c and 5 of the Act, 7 U.S.C. §§ 6c and 7, that the application of the CME for designation as a contract market in options on the pork composite futures contract is granted, and

IT IS FURTHER ORDERED that this grant of designation shall be subject to compliance with all sections of the Act applicable to the CME as a contract market under the Act.

Issued in Washington, D.C., this 31st day of July 1998.

By the Commission



Catherine D. Dixon
Assistant Secretary of the Commission