

SUBMISSION COVER SHEET

Exchange Identifier Code (optional) #07-07

Date January 23, 2007

ORGANIZATION

Chicago Mercantile Exchange Inc.

FILING AS A:

DCM

DCO

DTEF

TYPE OF FILING

• Rule Amendments

Self-Certification Under Reg. 40.6(a) or 41.24

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

• New Products

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

CME Rules 10102.E. and 101A01.F.

DESCRIPTION (Rule Amendments Only)

Amendments to non-spot position limits for Live Cattle Futures & Options



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January 23, 2007

Ms. Eileen Donovan
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Regulation Section 40.5. Request for Commission Rule Approval of Amendments to CME Rules 10102.E. and 101A01.F. CME Submission #07-07.

Dear Ms. Donovan:

I. SUBMISSION

In accordance with Regulation Section 40.4, Chicago Mercantile Exchange Inc. ("CME") hereby requests review and approval, under the provisions of Regulation Section 40.5, of amendments to CME Live Cattle Futures Rule 10102.E and Options on CME Live Cattle Futures Rule 101A01.F.

II. TEXT OF PROPOSED RULE CHANGES

The text of the proposed rule amendments is given below, with additions underlined and deletions bracketed and overstruck:

LIVE CATTLE FUTURES

10102. FUTURES CALL

E. Position Limits

No person shall own or control more than:

- a. ~~[4,150]~~ 5,150 contracts long or short in any contract month;
- b. 450 contracts long or short in the expiring contract month as of the close of business on the first business day following the first Friday of the contract month;
- c. 300 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last five business days of the contract month.

For positions involving options on Live Cattle futures, this rule is superseded by the option speculative position limit rule.

OPTIONS ON LIVE CATTLE FUTURES

101A01. OPTION CHARACTERISTICS

F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds ~~[4,150]~~ 5,150 futures equivalent contracts net on the same side of the market in any contract month.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

III. EFFECTIVE DATE AND RULE PROMULGATING AUTHORITY

CME, pursuant to Rule 230.j., approved these proposed amendments on January 22, 2007. The amendments will become effective for all contract months after Commission approval.

IV. OPERATION, PURPOSE AND EFFECT OF THE PROPOSED AMENDMENTS

The amendments increase the speculative position limits of Live Cattle futures and options for non-spot contract months.

The increase for non-spot contract months is based on the increased levels of open interest in the last year for the nearby futures and options contract months. The level of 5,150 contracts was arrived at using a formula established by Regulation Section 150.5(c)(2). The data used in the calculation has been sent electronically to the Commission's staff for review.

V. OPPOSING VIEWS

There were no substantive opposing views to the proposed amendments.

VI. APPLICATION OF THE ACT AND REGULATIONS

There does not appear to be any need for amendment or interpretation of the Act and Regulations in order to approve the proposed amendments.

VII. CONFIDENTIAL TREATMENT

Confidential treatment is not requested for this submission.

If you have any questions regarding this submission, please contact Paul Peterson at (312) 930-4587 or via e-mail at ppeterso@cme.com . Please refer to CME Submission #07-07 in all correspondence regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large loop at the end.

John W. Labuszewski, Managing Director
Research & Product Development