

SUBMISSION COVER SHEET

Exchange Identifier Code (optional) #05-24

Date March 3, 2005

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)

Increases to non-spot position limits for Live Cattle futures and options.



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March 3, 2005

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

RE: Section 5c(c) and Regulation 40.5 Submission. Request for Commission Rule Approval. Amendments to Non-Spot Position Limits for Live Cattle Futures and Options. CME Submission #05-24.

Dear Ms. Webb:

1. SUBMISSION

In accordance with Section 5c(c) and Regulation 40.4, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby requests review and approval, under the provisions of Regulation 40.5, of amendments to Live Cattle Futures Rule 10102.E. and Options on Live Cattle Futures Rule 101A01.F.

2. TEXT OF PROPOSED RULE CHANGES

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

LIVE CATTLE FUTURES

10102. FUTURES CALL

E. Position Limits

1. For futures contracts in the even month cycle

No person shall own or control more than:

- a. [~~3,300~~] 3,600 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.

2. For futures contracts in the odd month cycle

No person shall own or control more than:

- a. [~~3,300~~] 3,600 contracts long or short in any contract month;
- b. 300 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.

For positions involving options on Live Cattle futures, this rule is superseded by the option speculative position limit rule.

(End of Rule 10102.E.)

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 [~~3,300~~] 3,600 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.

(End of Rule 101A01.F.)

3. EFFECTIVE DATE AND RULE PROMULGATING AUTHORITY

Pursuant to Rule 230.j., these amendments were approved by the Board of Directors at its Regular Meeting on Wednesday, March 2, 2005. The amendments will become effective for all contract months not subject to spot position limits following Commission approval.

4. OPERATION, PURPOSE AND EFFECT

These amendments increase the non-spot position limits for Live Cattle Futures and Options on Live Cattle Futures. The proposed increases are the result of increased open interest levels during calendar year 2004, and were calculated using the formula described in Section 150.5.(c)(2). The data used in these calculations have been sent electronically to Commission staff.

5. OPPOSING VIEWS

There were no substantive opposing views to these proposed amendments.

6. APPLICATION OF THE ACT AND REGULATIONS

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

7. CONFIDENTIAL TREATMENT

Confidential treatment is not requested for this submission.

If you have any questions regarding this submission, please contact Mr. Paul Peterson at (312) 930-4587 or via e-mail at ppeterso@cme.com . Please refer to CME Submission #05-24 in all correspondence regarding this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "John W. Labuszewski". The signature is written in dark ink and is positioned above the typed name.

John W. Labuszewski, Managing Director
Research & Product Development