

January 21, 2005

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Reference File #2525.01  
Non-material Agricultural  
Rule Changes

Dear Ms. Webb:

Pursuant to Commission Regulation 40.4(b), the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Amendments to Regulation 425.01 per the attached text (additions are bold face; deletions are struck through).**

These amendments will increase reportable position levels for CBOT Corn, Soybean and Wheat contracts to the same levels recently adopted by the CFTC for these products.

The CBOT intends to implement these amendments no sooner than ten days after the Commission's receipt of this filing.

There were no opposing views among the CBOT's Board of Directors regarding these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul Draths  
Vice President and Secretary

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#### **425.01 Position Limits -**

(a) For the purposes of this Regulation, the following are definitions of titles used in position limit chart-

**Spot Month-** Spot month futures-equivalent position limit net long or net short effective at the start of trading on the first business day prior to the first trading day of the spot month.

**Single Month-** Futures-equivalent position limit net long or net short in any one month other than the spot month.

**All Months -**Position limit net long or net short in all months and all strike prices combined. Note: Long futures contracts, long call options, and short put options are considered to be on the long side of the market while short futures contracts, long put options, and short call options are considered to be on the short side of the market. For each commodity, the futures-equivalents for both the options and futures contracts are aggregated to determine compliance with the net long or net short same side position limits.

**Reportable Futures Level-**Reportable futures position in any one month.

**Reportable Options Level-**Reportable options position in any one month in each option category. Note:Option categories are long call, long put, short call, and short put.

**Net Equivalent Futures Position-**Each option contract has been adjusted by the prior day's risk factor, or delta coefficient, for that option which has been calculated by the Board of Trade Clearing Corporation.

For the purpose of this Regulation:

- (i) An option contract's futures-equivalency shall be based on the prior day's delta factor for the option series, as published by the Board of Trade Clearing Corporation. For example, 8 long put contracts, each with a delta factor of 0.5, would equal 4 futures-equivalent short contracts.
- (ii) Long futures contracts shall have a delta factor of +1, and short futures contracts shall have a delta factor of -1.
- (iii) Long call options and short put options shall have positive delta factors.
- (iv) Short call options and long put options shall have negative delta factors.
- (v) An eligible option/option or option/futures spread is defined as an intra-month or inter-month position in the same Chicago Board of Trade commodity in which the sum of the delta factors is zero.

(b) Except as provided in Regulations 425.03, 425.04 and 425.05, the maximum positions which any person may own, control, or carry are as follows:

(Note: All position limits and reportable positions are in number of contracts and are based on futures or \*Net Equivalent Futures Positions. \*Please see section (a) of this Regulation for definition.

CONTRACT	*SPOT MONTH	*SINGLE MONTH	*ALL MONTH	*REPORTABLE FUTURES LEVEL	*REPORTABLE OPTIONS LEVEL
Bund	None	None	None	1,000	
Bobl	None	None	None	800	
Schatz	None	None	None	500	
10-Year Interest Rate Swap	None	None	None	500	500
5-Year Interest Rate Swap	None	None	None	500	500
CBOT Dow Jones Industrial Average <sup>sm</sup> Index	None	None	50,000 (aggregate DJIA <sup>sm</sup> limit, see #9)	100	100
CBOT mini-sized Dow <sup>sm</sup> (\$5 multiplier)	None	None	50,000 (aggregate DJIA <sup>sm</sup> limit, see #9)	100	100
CBOT Dow Jones-AIG Commodity Index <sup>sm</sup>	None	None	15,000	25	
CBOT 5,000 oz. Silver	1,500	6,000	6,000	150	
CBOT 100 oz. Gold	3,000	6,000	6,000	200	
CBOT mini-sized Silver	1,500	1,500	3,000	750	
CBOT mini-sized Gold	4,000	4,000	6,000	600	
U.S. Treasury Bonds	None	None	None	1,000	1,000
mini-sized U.S. Treasury Bonds	None	None	None	1,000	
U.S. Treasury Notes (5yr.)	None	None	None	800	800
U.S. Treasury Notes (6 1/2-10yr.)	None	None	None	1,000	1,000
U.S. Treasury Notes (2yr.)	None	None	None	500	500
30 Day Fed Fund	None	None	None	300	300
10-Year Municipal Note Index	5,000	None	5,000	100	
mini-sized Eurodollars	10,000	10,000	10,000	400	
Corn and CBOT mini-sized Corn	600 (aggregate, see #10)	5,500 (aggregate, see #1, 10)	9,000 (aggregate, see #1, 3, 10)	150 250 (individual, see #11)	150 250
Soybeans and CBOT mini-sized Soybeans	600 (aggregate, see #10)	3,500 (aggregate, see #1, 10)	5,500 (aggregate, see #1, 4, 10)	100 150 (individual, see #11)	100 150
Wheat and CBOT mini-sized Wheat	600 (aggregate, see #8, 10)	3,000 (aggregate, see #1, 10)	4,000 (aggregate, see #1, 7, 10)	100 150 (individual, see #11)	100 150
Oats	600	1,000 (see#1)	1,500 (see#1,6)	60	60
Rough Rice	600 (see#5)	1,000	1,000 (see#2)	50	50
Soybean Oil	540	3,000 (see#1,7)	4,000 (see#1,7)	200	200
Soybean Meal	720	3,000 (see#1,7)	4,000 (see#1,7)	200	200

#1 Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, do not exceed the all months combined limit. In addition, a person may own or control additional options in excess of the futures-equivalent limits provided that those option contracts in excess of the futures-equivalent limits are part of an eligible option/futures spread.

#2 No more than 500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/options or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.

#3 No more than 5,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.

#4 No more than 3,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.

#5 In the last five trading days of the expiring futures month, the speculative position limit for the July futures month will be 200 contracts and for the September futures month the limit will be 250 contracts.

#6 No more than 1,000 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.

#7 No more than 3,000 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.

#8 In the last five trading days of the expiring futures month in May, the speculative position limit will be 600 contracts if deliverable supplies are at or above 2,400 contracts, 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts, 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts, 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts, and 220 contracts if deliverable supplies are below 1,200 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month. For the purposes of these regulations, one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Wheat contract.

#9 The aggregate position limit in CBOT mini-sized Dow<sup>SM</sup> (\$5 multiplier) futures and CBOT DJIA<sup>SM</sup> futures and options is 50,000 DJIA<sup>SM</sup> contracts, net long or net short in all contract months combined. For the purposes of these regulations, one mini-sized Dow<sup>SM</sup> (\$5 multiplier) contract shall be deemed to be equivalent to one-half of a DJIA<sup>SM</sup> futures contract.

#10 The net long or net short positions in Corn, Soybeans, or Wheat contracts may not exceed their respective position limits. The net long or net short positions in mini-sized Corn, mini-sized Soybeans, or mini-sized Wheat contracts may not exceed their respective position limits. The aggregate net long or net short positions in Corn and mini-sized Corn, Soybeans and mini-sized Soybeans, or Wheat and mini-sized Wheat contracts may not exceed their respective position limits. For the purposes of these regulations, one mini-sized Corn, one mini-sized Soybeans, or one mini-sized Wheat contract shall be

deemed to be equivalent to one-fifth of a corresponding Corn, Soybeans, or Wheat contract.

#11 The reporting level for the primary contract is separate from the reporting level for the mini-sized contract. Positions in any one month at or above the contract level indicated trigger reportable status. For a person in reportable status, all positions in any month of that contract must be reported. For the purposes of these regulations, positions are on a contract basis.

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