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20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 tel  
312/466.4410 fax

May 27, 2005

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

RE: SECURITY FUTURES PRODUCT RULE SUBMISSION  
Section 5c(c) and Regulation §41.24 Submission – Exchange Certification of Rule  
Amendments Governing Physically Delivered Single Security Futures.  
CME Submission #05-58.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby submits, pursuant to Section 5c(c) of the Commodity Exchange Act (“CEA”) and Regulation §41.24 thereunder, amendments to Rules governing the trade of physically delivered single security futures.

### **1. Text of Rules**

CME proposes to amend its Rules governing the trade of physically delivered single security futures as documented in Appendix 1 below with a clean copy of such Rules as amended included in Appendix 2 below.

Note that the Exchange had previously certified its Rules governing the trade of physically delivered single security futures with the Commission by correspondence dated May 4, 2005 (CME Submission #05-45). Per its May 4<sup>th</sup> correspondence, the Exchange proposed to list futures based on three Exchange Traded Funds, specifically, the Nasdaq-100 Tracking Stock<sup>SM</sup> (“QQQQ”), Standard & Poor’s Depository Receipts<sup>®</sup> (“SPDR”) and iShares Russell 2000 (“IWM”).

## **2. Submission to SEC**

Per Commission Regulation §41.24(a)(3), the Exchange certifies that it has submitted the subject rule amendments to the Securities and Exchange Commission ("SEC") by letter dated May 27, 2005 and in accordance with Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder (see File No. SR-CME-2005-01). A copy of this document has been sent under separate cover to the Commission's Office of the Secretariat.

## **3. Certifications**

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby submits, pursuant to Section 5c(c) of the Act and Regulation §41.24(a)(4) thereunder, certification that the Rule amendments documented herein and the affected security futures product complies with the Act and ruled thereunder.

## **4. Date of Implementation**

Per Commission Regulation §40.6(a)(3)(iii), please note that the Exchange intends to make these Rules effective on June 20, 2005. We acknowledge that the Commission may stay the effectiveness or alter or amend the rule pursuant to section 8a(7) of the Act, as provided in Commission Regulation §40.6(b).

Note that the Exchange had previously, per its submission #05-45 dated May 4, 2005, indicated its intention to list futures based on the iShares Russell 2000 ("IWM") Exchange Traded Fund (ETF) on June 6, 2005. The Exchange hereby amends that launch date to June 20, 2005. Note that the Exchange will list futures on the Nasdaq-100 Tracking Stock<sup>SM</sup> ("QQQQ") and Standard & Poor's Depository Receipts<sup>®</sup> ("SPDR") on June 6, 2005 per its original intentions.

## **4. Purpose and Explanation of Rule Amendments**

The Exchange intends to amend the size of its IWM futures contract to call for the delivery of 200 shares instead of 100 shares. This implies that the value of the \$0.01 minimum price fluctuation shall be \$2.00 instead of \$1.00. Further, the Exchange intends to postpone listing of IWM futures to June 20, 2005 from the originally scheduled date of June 6, 2005. These amendments and this postponement are intended to avoid possible technical complications associated with the scheduled 2-for-1 split of the iShares Russell 2000 ETF with an ex-date of June 9, 2005.

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### Summary Terms and Conditions

<b>Contract Size</b>	One-hundred (100) ETF shares of S&P 500 (SPDR); or, two-hundred (200) shares of iShares Russell 2000 (IWM) or Nasdaq-100 Tracking Stock <sup>SM</sup> (QQQQ)
<b>Contract Months</b>	March Quarterly Cycle plus first two serial months
<b>Trading Hours</b>	Traded on the GLOBEX <sup>®</sup> electronic trading platform from 8:30 am to 3:15 pm Mondays through Fridays (Chicago times)
<b>Minimum Price Fluctuation</b>	\$0.01 or \$1.00 per contract in context of SPDRs; \$2.00 per contract in context of QQQQs and IWMs
<b>Trading Halts</b>	Trading halts are coordinated with halts in the underlying ETFs
<b>Position Limits</b>	11,250 contracts for QQQQs; 13,500 for IWMs; 22,500 contracts for SPDRs net long or short during the last five (5) trading days of an expiring contract
<b>Final Settlement Date</b>	Third Friday of the Contract Month
<b>Last Trading Day</b>	Trades until the normal close of trading on the Final Settlement Date
<b>Final Settlement</b>	Final settlement is accomplished through delivery of the requisite number of ETF shares

Please address any questions that arise during the review and approval process to myself at 312-466-7469 or via e-mail at [jlab@cme.com](mailto:jlab@cme.com). We would be most appreciative if you would reference CME Submission #05-45 in any related correspondence.

Sincerely,



John W. Labuszewski, Managing Director  
Research & Product Development

Att.

cc: Office of Market Supervision  
Division of Market Regulation  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-1003

**Appendix 1: Physically Delivered Single Security Futures**  
*(Additions are underlined, deletions are bracketed and overstruck.)*

**CHAPTER 710: PHYSICALLY DELIVERED SINGLE SECURITY FUTURES**

**71004. APPROVED SECURITIES**

The following securities have been approved by the Board of Directors as the subject of Physically Delivered Single Security Futures Contracts:

<b>Approved Security</b>	<b>Unit of Trading</b>	<b>Minimum Fluctuation</b>	<b>Position Limit in Expiring Contract in Last 5 Trading Days</b>
Nasdaq-100 Tracking Stock <sup>SM</sup> ("QQQQ")	200 shares	\$0.01 or \$2.00 per contract	11,250
Standard & Poor's Depository Receipts <sup>®</sup> ("SPDR")	100 shares	\$0.01 or \$1.00 per contract	22,500
iShares Russell 2000 ("IWM")	<del>[100 shares]</del> <u>200 shares</u>	\$0.01 or <del>[\$1.00]</del> <u>\$2.00</u> per contract	13,500

## Appendix 2: Clean Copy of Rules as Amended

### CHAPTER 710: PHYSICALLY DELIVERED SINGLE SECURITY FUTURES

#### 71004. APPROVED SECURITIES

The following securities have been approved by the Board of Directors as the subject of Physically Delivered Single Security Futures Contracts:

Approved Security	Unit of Trading	Minimum Fluctuation	Position Limit in Expiring Contract in Last 5 Trading Days
Nasdaq-100 Tracking Stock <sup>SM</sup> ("QQQQ")	200 shares	\$0.01 or \$2.00 per contract	11,250
Standard & Poor's Depository Receipts <sup>®</sup> ("SPDR")	100 shares	\$0.01 or \$1.00 per contract	22,500
iShares Russell 2000 ("IWM")	200 shares	\$0.01 or \$2.00 per contract	13,500