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April 19, 2006

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

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OFFICE OF THE SECRETARIAT

RE: Section 5c(c)(1), Part 40.6 – Amendment to the position limits  
on the Russell 2000 and the E-Mini Russell 2000 contracts.  
CME Submission# 06-39.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission of an amendment to the position limits on the Russell 2000 and the E-Mini Russell 2000 contracts.

The Exchange certifies that this amendment complies with the Act and rules thereunder.

Due to increased trading volume, customers are repeatedly hitting the current position limit of 5,000 contracts in Russell 2000 contracts. Per delegate authority, Staff intends to increase this limit from 5,000 contracts to 10,000 contracts, effective April 21, 2006. Amended rule language follows below with additions underlined and deletions bracketed and struck out.

If you require any additional information regarding this action, please do not hesitate to contact Ms. Ariel Hantin, Senior Research Analyst, at 312-559-4951. Please reference our CME Submission #06-39 on all future correspondence regarding this notification.

**Russell 2000 Position Limits**

**April 19, 2006**

**Page 2 of 4**

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large initial "J" and "L".

**John W. Labuszewski, Director  
Research & Product Development**

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton  
CFTC Division of Market Oversight, Product Review & Analysis Section

## Text of Rule Amendments

*(Additions are underlined, deletions are bracketed and overstruck.)*

### CHAPTER 354 Russell 2000 Stock Price Index™ Futures

#### 35402.D. Position Limits

A person shall not own or control more than [~~5~~]10,000 contracts net long or net short in all contract months combined. For positions involving options on Russell 2000 Stock Price Index futures, this rule is superseded by the option speculative position limit rule.

### CHAPTER 354A Options on Russell 2000 Stock Price Index™ Futures

#### 354A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contract that exceeds [~~5~~]10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

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.

### CHAPTER 361 E-mini Russell 2000 Futures

#### 36102.D. Position Limits

A person shall not own or control more than [~~5~~]10,000 Russell 2000 Stock Price Index contracts or equivalent contracts net long or net short in all contract months combined. For purposes of this rule an E-Mini Russell 2000 Stock Price Index futures contract shall be deemed to be equivalent to one-fifth (0.20) of a Russell 2000 Stock Price Index futures contract. For positions involving options on E-Mini Russell 2000 Stock Price Index futures, this rule is superseded by the option speculative position limit rule.

### CHAPTER 361A Options on E-Mini Russell 2000 Futures

#### 361A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contract that exceeds [~~5~~]10,000 Russell 2000 Stock Price Index futures-equivalent contracts net on the same side of the market in all contract months combined. For the purpose of this rule, each E-Mini Russell 2000 futures-equivalent contract shall be deemed equal to one-fifth (0.20) of a Russell 2000 Stock Price Index futures-equivalent contract.

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.

## **Clean Copy of Rule Amendments**

### **CHAPTER 354** **Russell 2000 Stock Price Index™ Futures**

#### **35402.D. Position Limits**

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For positions involving options on Russell 2000 Stock Price Index futures, this rule is superseded by the option speculative position limit rule.

### **CHAPTER 354A** **Options on Russell 2000 Stock Price Index™ Futures**

#### **354A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contract that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

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.

### **CHAPTER 361** **E-mini Russell 2000 Futures**

#### **36102.D. Position Limits**

A person shall not own or control more than 10,000 Russell 2000 Stock Price Index contracts or equivalent contracts net long or net short in all contract months combined. For purposes of this rule an E-Mini Russell 2000 Stock Price Index futures contract shall be deemed to be equivalent to one-fifth (0.20) of a Russell 2000 Stock Price Index futures contract. For positions involving options on E-Mini Russell 2000 Stock Price Index futures, this rule is superseded by the option speculative position limit rule.

### **CHAPTER 361A** **Options on E-Mini Russell 2000 Futures**

#### **361A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contract that exceeds 10,000 Russell 2000 Stock Price Index futures-equivalent contracts net on the same side of the market in all contract months combined. For the purpose of this rule, each E-Mini Russell 2000 futures-equivalent contract shall be deemed equal to one-fifth (0.20) of a Russell 2000 Stock Price Index futures-equivalent contract.

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.