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OFFICE OF THE SECRETARIAT

### Rule Self-Certification

March 7, 2008

Office of the Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> St., N.W.  
Washington, D.C. 20581

Re: Certification of Phlx Stock Index Futures Contract Rules and Notices to  
Members  
Reference File SR-PBOT-2008-02

Ladies and Gentlemen:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and Sections 40.6 and 40.2 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, the Philadelphia Board of Trade, Inc. ("PBOT" or "Exchange") hereby submits new PBOT Rules 1401 - 1405, Philadelphia Stock Exchange, Inc. Stock Index Futures Contracts, and three related Notices to Members.

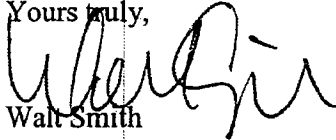
The new rules and Notices to Members provide for the listing of futures contracts on the Phlx Oil Service Sector Index (the "Oil Service Index"), the Phlx Semiconductor Sector Index (the "Semiconductor Index"), and the Phlx Housing Sector Index (the "Housing Index"). The Philadelphia Stock Exchange has maintained the Oil Service Index since December 31, 1996, the Semiconductor Index since December 1, 1993, and the Housing Index since January 2, 2002. Philadelphia Stock Exchange staff responsible for index component changes are not permitted to share information related to component selection to anyone other than other Philadelphia Stock Exchange staff on a need-to-know basis, prior to the publication of the change on its website.

The rules will be effective as of, and the contracts will be listed on, March 12, 2008.

No substantive opposing views were expressed to PBOT by its governing board or committee members, members of PBOT or market participants that were not incorporated into the rule.

PBOT hereby certifies that new Rules 1401 - 1405 and the three Notices to Members comply with the Commodity Exchange Act and regulations thereunder.

Yours truly,

A handwritten signature in black ink, appearing to read "Walt Smith", written over the typed name.

Walt Smith  
Vice President

cc: Mr. Allen J. Cooper  
Ms. Jane Croessmann  
Mr. Edward J. Dasso

**Philadelphia Stock Exchange, Inc. Stock Index Futures Contracts (Rules 1401 - 1405)**

**Rule 1401.**

**Scope and Application of Section**

*The Rules in this Section shall be applicable to the trading on the Exchange of broad-based stock index futures contracts issued by the Clearing Corporation and based upon indexes (the "Phlx Indexes") owned and maintained by the Philadelphia Stock Exchange, Inc., the terms and conditions of such contracts, the delivery and settlement thereof, and other matters relating to such contracts. Phlx Index futures contracts shall be listed on the Phlx Oil Service Sector Index (the "Oil Service Index"), the Phlx Semiconductor Sector Index (the "Semiconductor Index"), and the Phlx Housing Sector Index (the "Housing Index") (collectively, the "Phlx Index Futures Contracts"). The Phlx Index Futures Contracts shall trade on the PBOT XL trading system.*

**Rule 1402.**

**Contract Specifications**

*(a) Multiplier. The contract multiplier for each Phlx Index Futures Contract is \$50. For example, a contract size of one Phlx Futures Index Contract would be \$5000 if the underlying Phlx Index were 100.*

*(b) Schedule. The Exchange may list Phlx Futures Index Contracts for trading two months in the March quarterly cycle. Trading in the next month in which trading has not been opened shall be initiated at the opening of trading on the first Business Day following the last trading day for a month which has become the spot month.*

*(c) Maturity Date. The maturity date shall be the third Friday of the contract month. If the third Friday of the contract month is not a Business Day, the Maturity Date shall be the preceding Business Day.*

*(d) Last Trading Day. The Last Trading Day for a maturing Phlx Index Futures contract month shall be the last Business Day before the Maturity Date.*

*(e) Daily Settlement Price. The Daily Settlement Price for each Phlx Futures Index Contract shall be based on the closing underlying index value announced by the Philadelphia Stock Exchange, Inc. Daily Settlement Prices are subject to subsequent review and revision by the Clearing Corporation.*

*(f) Final Settlement Price. The Final Settlement Price for each Phlx Index Futures Contract shall be announced by the Philadelphia Stock Exchange, Inc. and shall be based upon the opening prices of the component stocks of the Phlx Index Futures Contracts on the Maturity Date. Final Settlement Prices are subject to subsequent review and revision by the Clearing Corporation.*

*(g) Settlement Terms. All settlements of a Phlx Index Futures Contract must be made through and in accordance with the Rules of the Clearing Corporation. Settlement of a Phlx Index Futures Contract will result in the delivery of a cash settlement amount on the Business Day immediately following the Maturity Date. The cash settlement amount following the Maturity Date shall be the final mark to market amount against the Final Settlement Price of the Phlx Index Futures Contract multiplied by \$50. Clearing Members holding open positions in Phlx Index Futures Contracts at the terminating of trading in that Contract shall make payment to receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount. If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.*

*(h) Minimum Trading Increment. The minimum fluctuation of the Phlx Index Futures Contracts is 0.01 index points, which has a value of \$.50.*

*(i) Position Limits. Phlx Index Futures are subject to position limits under PBOT Rule E28. Subject to the provisions of PBOT rule E28, No Person shall own or control, separately or in combination, a net long position or a net short position in a Phlx Futures Index Contract in excess of 5000 contracts in all contract months combined.*

*(j) No-Bust Range. For purposes of Rule E26, Transaction Nullifications or Modifications, the No-Bust Range for any Phlx Index Futures Contract shall be 100 minimum trading increments.*

*(k) Block Trades. Pursuant to subsection (c) of PBOT Rule E23, Block Trades, Phlx Index Futures Contracts are eligible for block trading. The minimum quantity threshold for a Block Trade in any Phlx Index Futures Contract shall be 100 contracts.*

*(l) EFP Transactions. Pursuant to Rule E38, EFP Transactions, Phlx Index Futures Contracts have been designated by the Exchange as eligible for EFP Transactions under that rule.*

*(m) Reportable Positions. Pursuant to Commission Rule 15.03 and Part 17 of the Commission's rules, the position level that is required to be reported to the Commission is any open position in a Phlx Index Futures Contract at the close of trading on any trading day equal; to or in excess of twenty-five contracts on either side of the market.*

**Rule 1403**

**Margin Requirements for Phlx Index Futures Contracts**

*Pursuant to Rule E11, Customer Margin, the Exchange will publish the minimum initial and maintenance margin rates and other requirements for each Phlx Index Futures Contract through Notices to Members or other appropriate means.*

**Rule 1404**

**Regulatory Trading Halts**

*Rule E33, Regulatory Trading Halts, applies to Phlx Index Futures Contracts in that they are broad-based index futures contracts. The Exchange shall halt trading of Phlx Index Futures Contracts at any time that circuit breaker procedures are in place to halt or suspend trading in all equity securities trading on a national securities exchange or national securities association. After the triggering of circuit breaker procedures, the Exchange will resume trading of broad-based index futures Contracts, including the Phlx Index Futures Contracts, only after trading has resumed in equity securities traded on a national securities exchange or national securities association.*

**Rule 1405**

**Ownership and Maintenance of Phlx Indexes**

*The Phlx Indexes are owned and maintained by the Philadelphia Stock Exchange, Inc. and have been licensed for use by the Philadelphia Board of Trade, Inc.*

## **Sector Index Futures: PHLX Semiconductor Sector (SOX), PHLX Oil Service Sector (OSX), PHLX Housing Sector (HGX)**

This Notice to Members is to advise Philadelphia Board of Trade ("PBOT") members that futures contracts on the PHLX Semiconductor Sector (SOX), PHLX Oil Service Sector (OSX) and the PHLX Housing Sector (HGX) will be listed on March 12, 2008 pursuant to PBOT Rules 1401 - 1405.

PBOT Circular X-X-R specifies the 2008 and 2009 PBOT Trading Days and Hours of Operations for PBOT contracts, including the new index futures. Margin requirements for these new sector index futures are set forth in PBOT circular XX-XX-08.

Please direct any questions concerning this Notice to Dennis Boylan, Director-Market Operations, at (215) 496-5337.

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## Days and Hours of Operation

### **2008 and 2009 PBOT Holidays, Trading Days and Hours of Operations**

#### **Executive Summary**

The Philadelphia Board of Trade ("PBOT"), pursuant to PBOT Rules E4 and E5, is publishing its days and hours of operation for 2008 and 2009. In addition, through this *Notice* the PBOT is publishing its market opening sequence for trading days.

**Note:** This Circular replaces PBOT Circular No. 9-07-R (Notice to Members 6-2007) dated April 26, 2007.

#### **Trading Days**

Set forth in attachment A to this *Notice* are the holidays recognized by the PBOT for 2008 and 2009. PBOT will be closed on these designated holidays but otherwise open for business on all other business days unless the PBOT determines otherwise and notifies members through a *Notice to Members* or other appropriate means.

#### **Trading Hours**

Set forth in attachment B are the trading hours for designated PBOT products, as well as the market opening sequence and timing. PBOT will follow these hours of operations and market opening sequence on each trading day unless it notifies members otherwise through a *Notice to Members* or other appropriate means.

Please direct any questions concerning this *Notice* to Dennis Boylan, Director, Market Operations, at 888-353-8114.

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## ATTACHMENT A

### Holidays for Calendar Years 2008- 2009

During 2008 and 2009, the Exchange will be open Monday through Friday except the following days:

#### 2008

New Years Day	January	1	2008
Birthday of Martin Luther King, Jr.	January	21	2008
Washington's Birthday	February	18	2008
Good Friday #	March	23	2008
Memorial Day	May	26	2008
Independence Day	July	4	2008
Labor Day	September	1	2008
Columbus Day ##	October	13	2008
Veteran's Day ##	November	11	2008
Thanksgiving Day	November	27	2008
Christmas Day	December	25	2008

#### 2009

New Years Day	January	1	2009
Birthday of Martin Luther King, Jr.	January	19	2009
Washington's Birthday	February	16	2009
Good Friday #	April	10	2009
Memorial Day	May	25	2009
Independence Day	July	3	2009
Labor Day	September	7	2009
Columbus Day ##	October	12	2009
Veteran's Day ##	November	11	2009
Thanksgiving Day	November	26	2009
Christmas Day	December	25	2009

# Open for trading in the World Currency Futures, no trading in the Sector Index Futures.

## Open for trading in the Sector Index Futures, no trading in the World Currency Futures.



## ATTACHMENT B

### Trading Days and Hours

#### Products:

- PBOT World Currency Futures
- PBOT Sector Index Futures

#### Sequence:

- **7:30 a.m. to 8:00 a.m. (ET)**  
**Pre-Opening: Order Entry and Open-Interest Dissemination**  
The PBOT will open for order entry at 7:30 am (ET) each trading day, at which time the exchange will transmit a control message "Start of Day" to members and member organizations (collectively "members"), after which authorized persons can log-on to PBOT XL. Once logged on, an authorized person can use any application function provided by the application program interface ("API") to enter orders, including functions to submit, revise, and withdraw certain types of orders. During this period no matching of orders occurs, but authorized persons can enter limit orders and "Good 'til Canceled" orders.
- **8:00 a.m. to 8:20 a.m. (ET)**  
**Quote Entry for PBOT Opening Begins**  
Before 8:00 a.m. (ET) market makers can only enter quotes to test the PBOT XL quote processing system using an application-level "ping" to verify application connectivity. Beginning at 8:00 a.m. (ET), PBOT market makers can enter quotes for consideration in the opening trade calculation for that trading day.
- **8:20 a.m. (ET)**  
**PBOT Trading begins**  
Trading begins at 8:20 a.m. (ET), at which time authorized persons may use all trade application functions provided by the API.
- **4:15 p.m. (ET)**  
**Market Close**  
The PBOT market will close at 4:15 p.m. (ET) each trading day, at which time no further orders or quotes are accepted.

## Margin

### Sector Index Futures: PHLX Semiconductor Sector (SOX), PHLX Oil Service Sector (OSX), PHLX Housing Sector (HGX).

#### Executive Summary

Through this *Notice to Members* and pursuant to the Philadelphia Board of Trade ("PBOT") Rule E11(b), PBOT has established the following SPAN<sup>1</sup> Minimum Performance Bond Requirements ("margin") that members and member organizations must collect from customers and maintain for firm and market maker trading.

#### Margin Levels

<b>PHLX Semiconductor Sector (SOX)</b>	Initial Margin	Variation Margin
Speculative	\$1,711	\$1,711
Hedge	\$1,711	\$1,711
Calendar Spread Margin	\$100	\$100

<b>PHLX Oil Service Sector (OSX)</b>	Initial Margin	Variation Margin
Speculative	\$1,486	\$1,486
Hedge	\$1,486	\$1,486
Calendar Spread Margin	\$100	\$100

<b>PHLX Housing Sector (HGX)</b>	Initial Margin	Variation Margin
Speculative	\$822	\$822
Hedge	\$822	\$822
Calendar Spread Margin	\$100	\$100

These margin requirements are effective March 12, 2008, and remain in effect until further notice from the exchange.

In addition to Rule E11, members and member organizations are urged to consult the Margin Handbook published by the Joint Audit Committee if they have any questions regarding margin generally.

Please direct any questions concerning this *Notice* to Walt Smith, Vice President and General Manager, at (215) 496-5532, Dan Carrigan, Vice President-Business Development at (215) 496-5017 or Dennis Boylan, Director-Market Operations, at (215) 496-5370.

<sup>1</sup> SPAN refers to Standard Portfolio Analysis of Risk Performance bond system.

**PBOT Circular No x – 08 - R**  
**Notice to Members x – 08**

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