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OFFICE OF THE SECRETARIAT

September 9, 2008

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

RE: Amendments to Options on NASDAQ 100, E-mini NASDAQ 100,  
S&P MidCap 400, and E-mini S&P MidCap 400 Futures  
Contracts , CME Submission# 08-124

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission of amendments to the options on NASDAQ<sup>®</sup> 100, E-mini NASDAQ 100, S&P<sup>®</sup> MidCap 400, and E-mini S&P MidCap 400 futures contracts. The Exchange has amended the strike listing rule for each of these contracts to streamline the product offering.

Currently, the S&P MidCap 400 and the E-mini S&P MidCap 400 options contracts strike listing rules allow a contract month a 10 percent range with 5 index point intervals. The E-mini NASDAQ 100 options contract strike listing rules allow a contract month a 30 percent range with 25 index point intervals and 7.5 percent range with 10 point intervals. The NASDAQ 100 options contract strike listing rules allow a contract month a 30 percent range with 25 index point intervals and 7.5 percent range with 5 point intervals.

Under the amended listing rules, the S&P MidCap 400 and the E-mini S&P MidCap 400 options strikes will be listed in the 20 percent range with 5 index point intervals. The E-mini NASDAQ 100 and the NASDAQ 100 options strikes will be listed in the 30 percent range with 10 index point intervals. The table below illustrates the changes with the amended rules following:

Strike Listings	Current	Proposed
NASDAQ 100	30 percent of the NASDAQ 100 @ 25 point intervals  7.5 percent of the NASDAQ 100 @ 5 point intervals when contract becomes second nearest month	<b>30 percent of the NASDAQ 100 @ 10 point intervals</b>

Strike Listings	Current	Proposed
<b>E-Mini NASDAQ 100</b>	30 percent of the NASDAQ 100 @ 25 point intervals  7.5 percent of the NASDAQ 100 @ 10 point intervals	<b>30 percent of the NASDAQ 100 @ 10 point intervals</b>
<b>S&amp;P MidCap 400</b>	10 percent of the S&P MidCap 400 @ 5 point intervals	<b>20 percent of the S&amp;P MidCap 400 @ 5 point intervals</b>
<b>E-mini S&amp;P MidCap 400</b>	10 percent of the S&P MidCap 400 @ 5 point intervals	<b>20 percent of the S&amp;P MidCap 400 @ 5 point intervals</b>

The text of the rule amendments are attached, with additions underlined and deletions overstruck. The amended strikes listing procedure shall become effective on Sunday, September 21, 2008.

The Exchange certifies that these rule changes comply with the Act and regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Lucy Wang, at 312-648-5478 or via e-mail at [lucy.wang@cmegroup.com](mailto:lucy.wang@cmegroup.com) or me. Please reference our CME Submission #08-124 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack  
Director and Associate General Counsel

## Text of Rule Amendments

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

### Chapter 357A Options on NASDAQ 100 Index® Futures

#### 357A01.E. Exercise Prices <sup>1</sup>

##### 1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the NASDAQ 100 futures.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 Index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

At the commencement of trading, the Exchange shall list all exercise prices in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by ~~[25]~~ 10 without remainder, e.g. 1500, 15~~[25]~~20, 15~~[25]~~30, etc.

~~[When a contract month becomes the second nearest contract month, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 7.5 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.]~~

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add, on the next trading day, all eligible exercise prices in the corresponding range. New options may be listed for trading up to an including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

##### 2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

##### 3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis

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<sup>1</sup> Revised March 1999; December 2000, December 2001; July 2005, November 2005, April 2008.

(End of rule amendments)

**Options on E-mini NASDAQ 100 Index® Futures  
Chapter 359A**

**359A01.E. Exercise Prices<sup>2</sup>**

1. Options in the March Quarterly Cycle

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

At the commencement of trading, the Exchange shall list all exercise prices that are integers divisible by 10 ~~[without remainder in a range of 7.5 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract and divisible by 25]~~ without remainder in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

(End of rule amendments)

**Chapter 353A  
Options on  
Midcap 400 Stock Price Index™ Futures**

**353A01.E. Exercise Prices<sup>3</sup>**

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's MidCap 400 Stock Price Index futures contract.

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<sup>2</sup> Revised July 2005, November 2005, June 2007, November 2007, April 2008.

<sup>3</sup> Revised December 2000, December 2001, November 2005.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring S&P MidCap 400 futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of [~~40~~ 20] percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, eg. 600, 605, 610, etc.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## 2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

## 3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

### **Chapter 362A** **Options on E-mini Standard & Poor's MidCap 400®** **Stock Price Index Futures**

362A01.E. Exercise Prices

#### 1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's MidCap 400 Stock Price Index futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring S&P MidCap 400 futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of [~~40~~] 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, eg. 600, 605, 610, etc.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## 2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

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**Chapter 357A  
Options on NASDAQ 100 Index® Futures**

**357A01.E. Exercise Prices <sup>4</sup>**

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the NASDAQ 100 futures.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 Index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

At the commencement of trading, the Exchange shall list all exercise prices in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 10 without remainder, e.g. 1500, 1520, 1530, etc.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add, on the next trading day, all eligible exercise prices in the corresponding range. New options may be listed for trading up to an including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis

(End of rule amendments)

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<sup>4</sup> Revised March 1999; December 2000, December 2001; July 2005, November 2005, April 2008.

**Options on E-mini NASDAQ 100 Index® Futures  
Chapter 359A**

**359A01.E. Exercise Prices<sup>5</sup>**

1. Options in the March Quarterly Cycle

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring NASDAQ 100 index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contracts. The index points are rounded to the nearest integer.

At the commencement of trading, the Exchange shall list all exercise prices that are integers divisible by 10 without remainder in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

(End of rule amendments)

**Chapter 353A  
Options on  
Midcap 400 Stock Price Index™ Futures**

**353A01.E. Exercise Prices<sup>6</sup>**

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's MidCap 400 Stock Price Index futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the

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<sup>5</sup> Revised July 2005, November 2005, June 2007, November 2007, April 2008.

<sup>6</sup> Revised December 2000, December 2001, November 2005.



March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring S&P MidCap 400 futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, eg. 600, 605, 610, etc.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## 2. Options Not in the March Quarterly Cycle

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## 3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

(End of rule amendments)

### **Chapter 362A** **Options on E-mini Standard & Poor's MidCap 400®** **Stock Price Index Futures**

362A01.E. Exercise Prices

#### 1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's MidCap 400 Stock Price Index futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring S&P MidCap 400 futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, eg. 600, 605, 610, etc.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

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(End of rule amendments)