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OFFICE OF THE SECRETARIAT

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September 21, 2009

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

RE: CBOT Chapter XX - Long-Term U.S. Treasury Bond Futures and CBOT Chapter 5 – Position Limit and Reportable Level Table
CBOT Submission No. 09-177

Dear Mr. Stawick:

Pursuant to Commission Regulation 40.6 and Section 5c(c)(1) of the Commodity Exchange Act, the Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it is self-certifying rules governing trading in Long-Term U.S. Treasury Bond futures, a new contract market.

CBOT intends to list the proposed Long-Term Treasury Bond futures contract for trading in January 2010, on both the GLOBEX® electronic trading system and in open outcry. The Exchange will inform the Commission of the contract launch date as soon as the Exchange determines this date.

CBOT has designed the Long-Term Treasury Bond futures contract as a complement to the Exchange's extant Treasury Bond and Note futures contracts. The proposed contract will have a $100,000 notional contract size, a minimum price increment of one thirty-second of one point ($31.25), and contract listings in the March, June, September, and December quarterly expiry cycle.

Like its Treasury futures counterparts, the new Long-Term Treasury Bond futures contract shall call for the physical delivery of cash securities via the Federal Reserve book-entry wire-transfer system. Each Long-Term Treasury Bond futures contract will have a deliverable grade that consists of U.S. Treasury bonds that have remaining term to maturity of not less than 25 years from the first day of the contract delivery month. As an example, the March 2010 expiry, which the Exchange intends as the first Long-Term Treasury Bond futures contract expiry to be listed for trading, is projected to have a deliverable basket of ten cash securities that will have a combined notional amount of $258 billion. Each expiring Long-Term Treasury Bond futures contract will cease trading on the seventh business day preceding the last business day of its delivery month. The Long-Term Treasury Bond futures contract's last delivery day will be the last business day of the delivery month.

Long-Term Treasury Bond futures will have position accountability of 10,000 futures contracts prior to the last ten trading days of a contract expiry, position limits of 20,000 futures contracts during the last ten trading days of a contract expiry, and a reportable position limit of 1,500 contracts. Long-Term Treasury Bond futures will not have price limits.

Initially, three quarterly expiries shall be listed for trading in the new Long-Term Treasury Bond futures contract. Accordingly, at the introduction of these contracts in January 2010, quarterly delivery months listed for trading shall be March 2010, June 2010, and September 2010.

Attachments 1-3 summarize, respectively, the salient features, contract terms and conditions, and position limits and reportable levels for Long-Term Treasury Bond futures.

Ancillary Changes to Delivery Month Listings in CBOT U.S. Treasury Bond Futures
In preparation for the listing of the new Long-Term Treasury Bond futures, the Exchange shall reduce the number of quarterly delivery months listed for trading in its existing U.S. Treasury Bond futures, from five at present to no less than three as of December 22, 2009. This shall be accomplished by suspending the listings of the December 2010 and March 2011 delivery months, which normally would take effect for trade dates September 22, 2009, and December 22, 2009, respectively. Insofar as the December 2010 and March 2011 delivery months are not yet available for trading, the Exchange certifies that there is no open interest in U.S. Treasury Bond futures for delivery in these months.

The Exchange undertakes this administrative action under the authority vested in CBOT Rulebook Chapter 18, Rule 18102. Its intent is to allow the Exchange sufficient flexibility to implement further rule amendments, if necessary, in response to changes in market conditions, so as to promote a complementary and harmonious relationship between the new Long-Term Treasury Bond futures and the incumbent U.S. Treasury Bond futures.

CBOT certifies that these changes comply with the Commodity Exchange Act and regulations thereunder. The rule amendments will be made effective immediately.

If you require additional information in support this letter, please contact Daniel Grombacher at (312) 634-1583 or via e-mail at daniel.grombacher@cmegroup.com, or me at (312) 648-5422. Please reference CBOT Submission No. 09-177 in any related correspondence.

Sincerely,

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

attachments

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Attachment 1

Salient Features
Long-Term U.S. Treasury Bond Futures

Underlying Instrument	U.S. Treasury bonds having a face value of $100,000 or multiples thereof.
Deliverable Grade	U.S. Treasury bonds having a remaining term to maturity of not less than 25 years from the first day of the futures contract delivery month. The invoice price equals the futures settlement price times a conversion factor, plus accrued interest. The conversion factor is the price of the delivered bond ($1 par value) to yield 6 percent.
Price Basis	Points ($1,000 per contract) and 32nds of one point ($31.25 per contract). For example, 91-16 equals 91-16/32, 91-17 equals 91-17/32, and 91-18 equals 91-18/32.
Minimum Price Increment	One thirty-second of one point ($31.25 per contract), except for intermonth spreads for which the minimum price increment would be one quarter of one thirty-second of one point ($7.8125 per contract).
Contract Months	Initially, three consecutive expiries in the March, June, September, and December quarterly cycle.
Last Trading Day	The seventh business day preceding the last business day of the delivery month. Trading in an expiring contract ceases at 12:01, Chicago time, on the last trading day.
Last Delivery Day	Last business day of the delivery month.
Delivery Method	Federal Reserve book-entry wire-transfer system.
Trading Hours	Globex: 17:30 – 16:00, Chicago time, Sunday – Friday. Open Outcry: 07:20 – 14:00, Chicago time, Monday – Friday.
Ticker Symbols	Globex: To be determined. Open Outcry: To be determined.
Daily Price Limit	None.
Accountability / Position Limits	Position accountability of 10,000 futures contracts will be implemented prior to a contract's last ten trading days. Position limits of 20,000 futures contracts will be implemented during an expiring contract's last ten trading days.
Reportable Level	1,500 futures contracts.
Block Minimum	Regular Trading Hours (07:00 – 16:00, Chicago time): 3,000 contracts. European Trading Hours (00:00 – 07:00, Chicago time): 1,500 contracts. Asian Trading Hours (16:00 – 00:00, Chicago time): 750 contracts. Intra-commodity calendar spreads are prohibited. Inter-commodity spreads are permitted provided that the quantity of each leg of the spread meets the larger of the threshold requirements for the underlying futures during RTH, ETH, or ATH.
All-or-None Minimum	2,000 contracts on an outright basis. 2,000 contracts per leg for inter- and intra-market spreads.
Trading Platforms	Globex and Open Outcry.
Trade Matching Algorithm	FIFO for outright orders. Pro-Rata with TOP orders and implied price functionality for calendar spreads. ICS functionality will be available with implied price functionality.

Attachment 2

CBOT Rulebook Chapter XX
Long-Term U.S. Treasury Bond Futures

XX100. SCOPE OF CHAPTER

This chapter is limited in application to trading of Long-Term U.S. Treasury Bond futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

XX101. CONTRACT SPECIFICATIONS

XX101.A. Contract Grade

The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal bonds which have fixed semi-annual coupon payments, and which have a remaining term to maturity of at least 25 years.

For the purpose of determining a U.S. Treasury security's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's named month of expiration, and shall be rounded down to the nearest three-month increment (e.g., 12 years 5 months 18 days shall be taken to be 12 years 3 months).

New issues of U.S. Treasury securities that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.

XX101.B. Physical Delivery

Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury bond issue. The amount at which the short Clearing Member making delivery shall invoice the long Clearing Member taking delivery of said securities (Rule XX105.A.) shall be determined as:

Invoice Amount = (\$1000 x P x c) + Accrued Interest

where

P is the contract daily settlement price on the day that the short Clearing Member gives the Clearing House notice of intention to deliver (Rule XX104.A.). *P* shall be expressed in points and fractions of points with par on the basis of 100 points (Rule XX102.C.); and

c is a conversion factor equal to the price at which a security with the same time to maturity as said security (as per Rule XX101.A.), and with the same coupon rate as said security, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.

For each individual contract lot that is delivered, the product expression *($1000 x P x c)* shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

Example: Assume that *P* is 100 and 25/32nds. Assume that *c* is 0.9633. The product expression *($1000 x P x c)* is found to be $97,082.578125. The rounded amount that enters into determination of the *Invoice Amount* is $97,082.58.

In the determination of the *Invoice Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306--General Regulations Governing U.S. Securities, Subpart E--Interest. See also Rule XX102.B.

XX102. TRADING SPECIFICATIONS

The number of contract expiration months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading five consecutive expiries in the March-June-September-December quarterly cycle.

XX102.A. Trading Schedule

The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract (Rule XX102.F.), the close of the expiring contract shall begin at 12:00 noon and trading shall be permitted thereafter for a period not to exceed one minute.

XX102.B. Trading Unit

The unit of trading shall be U.S. Treasury bonds having a face value at maturity of one hundred thousand dollars ($100,000) or multiples thereof.

XX102.C. Price Increments

Par shall be on the basis of 100 points, with each point equal to $1,000 per contract. The minimum price fluctuation shall be one thirty-second of one point (equal to $31.25 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one quarter of one thirty-second of one point (equal to $7.8125 per contract). Contracts shall not be made on any other price basis.

XX102.D. Reserved

XX102.E. Position Limits and Position Accountability

In accordance with Rule 559., no person shall own or control positions in excess of 20,000 contracts in an expiring contract during the contract's last 10 trading days (Rule XX102.F.). No hedge exemptions will be permitted with respect to this position limit.

Position accountability, as defined in Rule 560, will apply to trading of Long-Term U.S. Treasury Bond futures.

CBOT Rulebook Chapter XX
Long-Term U.S. Treasury Bond Futures

XX102.F. Termination of Trading
No trades in an expiring contract shall be made during the last 7 business days of the contract's named month of expiration. Any contract remaining open after the last day of trading must be either:

(a) settled by physical delivery no later than the last business day of the contract's named month of expiration (Rule XX103.); or
(b) liquidated by means of a bona fide Exchange of Futures for Related Position (Rule 538.) no later than 12:00 noon on the fifth business day preceding the last business day of the contract's named month of expiration.

XX103. DATE OF DELIVERY
Delivery of contract grade U.S. Treasury securities may be made by a short Clearing member, upon any business day of the contract delivery month that the short Clearing Member may select. The contract delivery month shall commence on, and include, the first business day of the contract's named month of expiration, and shall extend to, and include, the last business day of the contract's named month of expiration.

XX104. DELIVERIES ON EXPIRING FUTURES CONTRACTS
Deliveries against expiring contracts shall be by book-entry transfer between accounts of Clearing Members at qualified banks (Rule XX109.) in accordance with 31 CFR Part 306--General Regulations Governing U.S. Securities, Subpart O--Book-Entry Procedure, and 31 CFR Part 357--Regulations Governing Book-Entry of U.S. Treasury Bonds, Notes and Bills held in Legacy Treasury Direct®.

Deliveries against an expiring contract can be made no earlier than the first business day of the contract's named month of expiration, and no later than the last business day of the contract's named month of expiration (Rule XX103).

All deliveries must be assigned by the Clearing House.

XX104.A. DAY OF INTENTION
No later than 6:00 p.m. on the second business day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing House all notices of intention to make delivery such as it has received from its customers who are short.

Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.

To each short Clearing Member who has issued a notice of intention to make delivery, the Clearing House shall assign long Clearing Members who shall be obligated to take delivery. Upon making such assignment, the Clearing House shall promptly furnish to each short Clearing member making delivery the names of the long Clearing members assigned to take delivery from such short Clearing Member.

XX104.B. Day of Delivery
No later than 7:30 a.m. on the day of delivery, the long Clearing Member taking delivery must make funds available, and must notify its bank to accept contract grade U.S. Treasury securities (Rules XX101.A. and XX105.A.) and to remit federal funds to the account of the short Clearing Member making delivery, at the short Clearing Member's bank.

In the event the long Clearing Member taking delivery does not agree with the terms of the invoice received from the short Clearing Member making delivery (Rule XX105.A.), the long Clearing Member must notify the short Clearing Member, and the dispute must be settled no later than 9:30 a.m. on the day of delivery.

No later than 10:00 a.m. on the day of delivery, the short Clearing Member making delivery must have contract grade U.S. Treasury securities (Rules XX101.A. and XX105.) in place at its bank, in delivery form that is acceptable to its bank, and must notify its bank to transfer said U.S. Treasury securities by book entry, on a delivery versus payment basis (Rule XX107.), to the account of the long Clearing Member taking delivery, at the long Clearing Member's bank.

No later than 1:00 p.m. on the day of delivery, contract grade U.S. Treasury securities must be transferred, and payment must be made.

XX105. SELLER'S INVOICE NOTIFICATION TO BUYER

XX105.A. Invoice Terms
Each short Clearing Member making delivery shall prepare invoices addressed to each long Clearing Member assigned to take delivery from such short Clearing Member (Rule XX104.A.). Said invoices shall:

(a) identify the U.S. Treasury securities that the short Clearing Member shall tender to said long Clearing Member; and
(b) show the amounts which said long Clearing Member must pay to said short Clearing Member in settlement of the actual delivery of said U.S. Treasury securities, based on the delivery prices established by the Clearing House, and adjusted for accrued interest (Rule XX101.B.).

XX105.B. Day of Notification
In the case of deliveries to be made prior to the last permissible day of delivery (Rule XX103.), each short Clearing Member making delivery shall submit said invoices to the Clearing House by 2:00 p.m. on the business day preceding the day of delivery. In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such invoices to the Clearing House by 3:00 p.m. on the business day preceding the day of delivery. Upon

receipt of such invoices, the Clearing House shall promptly furnish them to the long Clearing Members to whom they are addressed.

XX106. BUYER'S BANKING NOTIFICATION TO SELLER

No later than 4:00 p.m. on the business day preceding the day of delivery, the long Clearing Member taking delivery shall provide the short Clearing Member making delivery with a Banking Notification form which shall include:

(a) date of delivery;
(b) identification number and name of the long Clearing Member taking delivery;
(c) notification number of the Clearing House delivery assignment;
(d) identification number and name of the short Clearing Member making delivery;
(e) quantity of the contract being delivered; and
(f) the long Clearing Member's bank, account number, and specific Federal Wire instructions for the transfer of U.S. Treasury securities.

XX107. PAYMENT

No later than 1:00 p.m. on the day of delivery, the long Clearing Member assigned to take delivery must take delivery and make payment. In the case of banking holidays, said long Clearing Member must take delivery and make payment no later than 9:30 a.m. on the next banking business day.

Payment shall be made in federal funds on a delivery versus payment basis. That is, payment shall not be made until the U.S. Treasury securities to be tendered for delivery (Rule XX105.A.) are delivered. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with its rules, policies, and procedures.

XX108. WIRE FAILURE

In the event that delivery cannot be accomplished because of a failure of the Federal Reserve wire, or because of a failure of either the long Clearing Member's bank or the short Clearing Member's bank to access the Federal Reserve wire, delivery shall be made before 9:30 a.m. on the next business day on which the Federal Reserve wire, or bank access to it, is operable.

In the event of such failure, the short Clearing Member making delivery shall remit to the long Clearing Member taking delivery such interest on the U.S. Treasury securities being delivered as accrues between the day on which the securities were originally to be delivered and the day on which the securities are actually delivered. Both the long Clearing Member and the short Clearing Member must provide to the Exchange documented evidence that they gave instructions to their respective banks in accordance with Rules XX104. and XX107. and that they complied with all other provisions of Rules XX104. and XX107.

CBOT Rulebook Chapter XX
Long-Term U.S. Treasury Bond Futures

XX109. BANKS

For purposes of these Rules "qualified bank" (Rule XX1.04.) shall mean a U.S. commercial bank (either Federal or State charter) that is a member of the Federal Reserve System and that has capital (capital, surplus and undivided earnings) in excess of one hundred million dollars ($100,000,000).

Attachment 3

CBOT Rulebook Chapter 5 -- Position Limits and Reportable Levels for Long-Term U.S. Treasury Bond Futures

(Additions are underlined. Deletions are struck through.)

CONTRACT NAME	Opts	SCALE DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options	REPORTABLE FUTURES LEVEL	REPORTABLE OPTIONS LEVEL
FINANCIALS								
<u>LONG-TERM U.S. TREASURY BONDS</u>	**<u>Y</u>**	**<u>(SEE #13)</u>**				**<u>10,000 / 25,000</u>**	**<u>1,500</u>**	**<u>1,500</u>**
U.S. Treasury Bonds	Y	(see #13)				10,000 / 25,000	1,500	1,500
U.S. Treasury Notes (2 yr.)	Y	(see #13)				7,500 / 20,000	1,000	1,000
U.S. Treasury Notes (3 yr.)		(see #13)				7,500 / N/A	750	
U.S. Treasury Notes (5 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
U.S. Treasury Notes (6 ½ - 10 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
30 Day Fed Fund	Y					3,000 / N/A	600	600
30-Year Interest Rate Swap	Y					5,000 / 15,000	500	25
10-Year Interest Rate Swap	Y					5,000 / 15,000	500	500
7-Year Interest Rate Swap	Y					5,000 / 15,000	25	25
5-Year Interest Rate Swap	Y					5,000 / 15,000	500	500
Mini-sized Eurodollars			10,000	10,000	10,000		400	

#13 In the last ten trading days of the expiring futures month, the following position limits in the expiring contract will apply: **<u>Long-Term U.S. Treasury Bonds – 20,000 contracts</u>**; U.S. Treasury Bonds – 25,000 contracts; U.S. Treasury Notes (6½ - 10 Year) – 60,000 contracts; U.S. Treasury Notes (5 Year) – 45,000 contracts; U.S. Treasury Notes (2 Year) – 25,000 contracts. No hedge exemptions will be permitted with respect to these limits.

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1 Net long or short effective at the close of trading two business days prior to the first trading day of the delivery month.

2 Futures-equivalent position limit net long or net short in any one month other than the spot month. Net equivalent futures long or short in all months and strike prices combined.

3 Futures-equivalent position limit net long or net short in all months and strike prices combined. 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.

4 As described in Rule 560. Futures levels refer to futures equivalent contracts. Options levels refer to option contracts for all months and all strike prices combined in each option category (long call, long put, short call and short put).