cme
Chicago Mercantile Exchange

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

2004 JAN 29 AM 9: 36
RECEIVED
C.F.T.C.

RE: Exchange Certification of Amendments to Interpretations on Rule 135.A., Allowable Spreads for GEM Members. CME Submission #04-12

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "the Exchange") hereby notifies the Commission of amendments to the Interpretations on Rule 135.A, the allowable spreads for GEM members.

The Exchange certifies that these actions neither violate nor are inconsistent with any portion of the Commodity Exchange Act or of the rules thereunder.

As the Yen denominated Nikkei 225 Index has been included in the New Product Access Program, GEM members will be eligible to trade the yen contract at member rates during a specified time. Included in this program is the right to trade spreads between the yen and the dollar based contract. The affect of this amendment is to clarify a technical change to the allowable spreads for GEM members, specifically to coordinate the administration of such matters – consistent with normal Exchange practices.

In addition a clarification on the contract listings for the Yen denominated Nikkei 225 contract is included. While not a rule amendment, the affect of this clarification is to inform the administration of a change in the contract listings offered for the yen contract. As the yen denominated Nikkei 225 contract is included in our Mutual Offset System arrangement with the Singapore Exchange (SGX), CME will be listing the same contracts for trading as SGX, more specifically the front 5 quarterlies and 3 serials.

We hereby agree that these changes shall not be implemented earlier than the business day following the Commission's receipt of this filing. Amendments to the Interpretations on Rule 135.A. are provided below. Additions are underlined and deletions are bracketed and struck out.

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

Rule 135.A. provides that GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not solicit business from the floor of the Exchange except for business in products traded in the GEM Division and bona fide spread involving such products.

The only allowable spreads involving non–GEM products that GEM members may enter into or solicit while on the trading floor are listed below:

GSCI	with	Live Cattle and Lean Hogs
Russell 2000	with	S&P 500, S&P Mid–Cap
S&P/Barra Growth and Value 1[73]	with	S&P 500, S&P Mid–Cap
Live Cattle Serial (Odd) Months	with	Live Cattle Even Months*
CME$INDEX™	with	Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona
E-Mini NASDAQ	with	E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, Russell 1000, Financial SPCTR, Technology SPCTR.
CPI	with	Eurodollar
Yen Denominated Nikkei 225	with	Dollar Denominated Nikkei 225

*Provided the GEM member also maintains a Serial Month Live Cattle Permit.

When such spreads are executed on a legged basis, the GEM leg of the spread must always precede the non–GEM leg with the exception of the Live Cattle Serial Months/Live Cattle Even Months spread where either leg may be executed first. Please note that these restrictions do not apply to spreads in which all of the component parts are GEM products.

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 or via e-mail at **ahantin@cme.com**. Please reference our CME Submission #04-12 on all future correspondence regarding this notification.

Sincerely,

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