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December 3, 2004

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

RE: Section 5c(c)(1), Part 40.6 – Amendments to Rule 557.B.,  
Execution of Orders. CME Submission# 04-114.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission of amendments to Chapter 5, Rule 557.B., Execution of Orders. These actions were approved by the Exchange’s Board on December 2, 2004 per its authority under Exchange Rule 230.j. These changes shall become effective on Sunday, January 9, 2005.

The Exchange certifies that this action neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules thereunder.

The Exchange is amending its CME GLOBEX<sup>®</sup> order entry quantity limits for the E-Mini S&P 500 and the E-Mini NASDAQ-100<sup>®</sup> futures contracts with an increase from 400 to 1,500 contracts. The Exchange will also be increasing the GLOBEX order entry quantity from 400 to 500 contracts for all other Stock Index futures contracts excluding TRAKRS<sup>SM</sup>. Further, CME will be increasing the order entry quantity restriction to 5,000 contracts for all electronically traded calendar stock index futures spreads.

**Ms. Jean A. Webb**  
**December 3, 2004**  
**Page 2 of 4**

Note that orders of any quantity may be accepted for stock index futures, and options on stock index futures, for entry on the GLOBEX System. However, the Exchange requires orders that exceed a specified quantity to be entered as multiple entries for execution on the GLOBEX electronic trading platform. This system feature is intended to guard against possible order entry errors. The Exchange is increasing order entry quantities to the extent that volumes and average order sizes have been increasing and customers have on occasion been unduly constrained by these restrictions.

The text of the rule amendments is provided below in Appendix A. A clean copy of the amended rules is provided below in Appendix B.

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](mailto:ahantin@cme.com). Please reference our CME Submission #04-114 on all future correspondence regarding this notification.

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

**Appendix A: Text of Rule Amendments**

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

**CHAPTER 5: FLOOR PRIVILEGES –  
 TRADING QUALIFICATIONS AND PRACTICES**

**557.B. Execution of Orders**

- Orders of any quantity may be accepted for stock index futures and options on stock index futures for entry on the GLOBEX system. ~~[However, orders exceeding 400 contracts must be entered on the GLOBEX system as multiple entries each of which must not exceed 400 contracts.]~~ However, orders exceeding a specified number of contracts as indicated in the table below must be entered on the GLOBEX system as multiple entries, each of which must not exceed the specified number of contracts. This restriction shall not apply to TRAKRS contracts where orders of any quantity may be entered, within normal GLOBEX System limitations.

<u>Market</u>	<u>Futures Order Entry Quantity Restriction</u>	<u>Options Order Entry Quantity Restriction</u>	<u>Futures Calendar Spread Order Entry Quantity Restriction</u>
<u>E-Mini S&amp;P 500 and E-Mini Nasdaq-100 Futures</u>	<u>1,500</u>	<u>1,500</u>	<u>5,000</u>
<u>All Other Stock Index Futures</u>	<u>500</u>	<u>500</u>	<u>5,000</u>

- ~~Calendar spread orders of any quantity may be accepted for stock index futures for entry on the GLOBEX System. However, calendar spread orders for E-Mini S&P 500, E-Mini Nasdaq-100, E-Mini NASDAQ Composite, E-Mini Russell 2000, dollar denominated Nikkei 225, yen denominated Nikkei 225, or E-Mini S&P MidCap 400 futures exceeding 1000 contracts per contract month must be entered on the GLOBEX System as multiple entries each of which must not exceed 1000 contracts. Calendar spread orders for other stock index futures exceeding 400 contracts per contract month must be entered on the GLOBEX System as multiple entries each of which must not exceed 400 contracts.]~~

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**Appendix B: Clean Copy of Rules as Amended**

**CHAPTER 5: FLOOR PRIVILEGES –  
TRADING QUALIFICATIONS AND PRACTICES**

**557.B. Execution of Orders**

1. Orders of any quantity may be accepted for stock index futures and options on stock index futures for entry on the GLOBEX system. However, orders exceeding a specified number of contracts as indicated in the table below must be entered on the GLOBEX system as multiple entries, each of which must not exceed the specified number of contracts. This restriction shall not apply to TRAKRS contracts where orders of any quantity may be entered, within normal GLOBEX System limitations.

<b>Market</b>	<b>Futures Order Entry Quantity Restriction</b>	<b>Options Order Entry Quantity Restriction</b>	<b>Futures Calendar Spread Order Entry Quantity Restriction</b>
E-Mini S&P 500 and E-Mini Nasdaq-100 Futures	1,500	1,500	5,000
All Other Stock Index Futures	500	500	5,000

6. Reserved