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June 10, 2005

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 Chapters 357A and 359A,
Options on Nasdaq 100 and E-Mini Nasdaq 100 futures contracts.
CME Submission# 05-64.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission of amendments to the options on Nasdaq 100 and E-Mini Nasdaq 100 futures contracts.

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

Customer demand has prompted the Exchange to amend the minimum tick fluctuations and exercise price intervals for both the Nasdaq 100 and E-Mini Nasdaq 100 options contracts. The current minimum tick fluctuation for the Nasdaq 100 and the E-Mini Nasdaq 100 contracts is 0.05. The minimum fluctuation for both options contracts will be changed to a variable tick similar to the one used for the S&P contracts. Any premium greater than \$3.00 will tick in 0.25 increments. Any premium less than or equal to \$3.00 will tick in 0.05 increments.

In addition, the strike listing rules will also be amended. Currently, the Nasdaq 100 options contract strike listing rules are based on a 30% reference index with 50 point strike intervals. Ten point strike intervals are added in the two nearest quarterlies based upon a 15% reference index. The strike listing rules for the Nasdaq 100 options contract will now be based on a 15% reference index with 25 index point intervals. Five point strike intervals will be added in the lead contract month. The E-Mini Nasdaq 100 options contract strike listing rules currently allow for a 100 index point range with 10 index point intervals. The amended listing rules for E-

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Mini Nasdaq 100 options retain the 100 index point range but increase the interval from 10 to 25. In addition, 5 point strike intervals will be added in the lead contract month.

The variable tick table will be implemented on **July 17, 2005** for a July 18, 2005 trade date. The amendments to the strike listing rules will be phased in as each currently listed contract expires. As of June 10, 2005, the following contracts are currently listed for trading and will retain original strike listing rules:

- Nasdaq 100 Options – June 2005, July 2005, August 2005, September 2005, December 2005
- E-Mini 100 Options - June 2005, July 2005, August 2005, September 2005

The June 2005 options contracts will expire on June 17, 2005. There will be a one month delay in listing the Nasdaq 100 March 2006 options contract in order to give customers enough time to implement the strike listing rule changes. In lieu of adding the March 2006 contract on June 19, 2005, the contract will be listed for trading on **July 17, 2005**. All other contracts months will follow their normal listing schedule. The list below details the strike listing rule change implementation process.

- Nasdaq 100 Options contract roll out
 - July 17, 2005 [March 2006 – amended rules]
 - July 17, 2005 [October 2005 – original rules]
 - August 21, 2005 [November 2005 – original rules]
 - September 18, 2005 [June 2006 – amended rules]
 - All listed contracts following the October 2005 expiration will use the amended strike listing rules.
- E-Mini Nasdaq 100 Options contract roll out
 - June 19, 2005 [December 2005 – original rules]
 - July 17, 2005 [October 2005 – original rules]
 - August 21, 2005 [November 2005 – original rules]
 - September 18, 2005 [March 2006 – amended rules]
 - All listed contracts following the October 2005 expiration will use the amended strike listing rules.

The table below illustrates the changes for each options contract with the amended rules following. Additions are underlined and deletions are bracketed and struck out.

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Ticks		Current	As Amended*
	E-Mini NASDAQ 100	0.05	0.25 for premiums > \$3.00; 0.05 for premiums <= \$3.00
	NASDAQ 100	0.05	0.25 for premiums > \$3.00; 0.05 for premiums <= \$3.00
Strike Listings		Current	As Amended
	E-Mini NASDAQ 100	100 point range @ 10 point intervals	100 point range @ 25 point intervals; lead month add in 5 point intervals
	NASDAQ 100	30% reference index @ 50 point intervals; 15% reference index @ 10 point intervals in 2 nearest quarterlies	15% reference index @ 25 point intervals; lead month add in 5 point intervals

* Effective for July 18, 2005 trade date.

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 #05-64 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

Text of Rule Amendments

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

CHAPTER 357A Options on NASDAQ 100 Index Futures

357A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$1.00. The minimum fluctuation shall be 0.25 ~~[-05]~~ index points (also known as one tick), equivalent to \$25.00 per contract. ~~[Trades may also occur at a price of .025 index points (\$2.50, also known as one half tick), whether or not such trades result in the liquidation of positions for both parties to the trade.]~~ A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$5.00.

357A01.E. Exercise Prices

~~[1. Options in the March Quarterly Cycle]~~

The exercise prices shall be stated in terms of the futures contract which is deliverable upon exercise of the option. In all contract months, the exercise prices shall be an integer divisible by 25 ~~[50]~~ without remainder, e.g., 2000, 2025, 2050, ~~[2100,]~~etc.

A referencing index shall be determined each quarter on the expiration day of the March Quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month NASDAQ 100 Index futures contracts. The chosen referencing index will then be used to calculate the index points for the ~~[30% and]~~ 15% and 7.5% ranges for various contract month options as specified below. The index points are rounded to the nearest integer.

~~[At the commencement of trading for the fourth nearest contract month in the March quarterly cycle,]~~ For all eligible contract months, the Exchange shall list all eligible exercise prices in a range of ~~[30]~~ 15 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, for all listed contract months ~~[a contract month in the March quarterly cycle]~~, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add all eligible exercise prices on the next trading day.

When a contract month becomes the ~~[second nearest]~~ nearest expiring contract month ~~[in the March quarterly cycle]~~, the Exchange shall add exercise prices at an interval that is an integer divisible by ~~[10]~~ 5 without remainder in a range of ~~[15]~~ 7.5 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

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.

~~[2.—Options not in the March Quarterly Cycle~~

~~Exercise prices for options not in the March quarterly cycle shall be independent of the exercise prices that are listed for the nearest March quarterly options.~~

~~At the commencement of trading for options not in the March quarterly cycle, exercise prices shall be listed in a range of 30 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. Exercise prices shall be integers divisible by 50 without remainder. Within a range of 15 percent of the referencing index above and below the previous day's settlement price for the underlying futures contract, 10 point exercise prices shall be listed, if they have not been already listed.~~

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

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

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

359A01.C. Minimum Fluctuations

The price of an option shall be quoted in index point. Each .01 index point shall represent \$0.20. The minimum fluctuation shall be 0.25 ~~[0.05]~~ index points (also known as one tick), equivalent to \$5 ~~[1]~~.00 per contract. ~~[Trades may also occur at a price of 0.025 index points (\$0.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade.]~~ A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$1.00.

359A01.E. Exercise Prices

The exercise prices shall be stated in terms of the E-Mini Nasdaq 100 Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be integers divisible by ~~[10]~~ 25 without remainder, e.g., 2000, 2025 ~~[10]~~, 2050 ~~[20]~~, 2075 ~~[30]~~, etc.

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At the commencement of option trading for E-Mini Nasdaq 100 option contracts the Exchange shall list all eligible exercise prices in a range of 100 index points above and below the previous day's settlement price of the E-Mini Nasdaq 100 Index futures contract.

When a contract month becomes the nearest expiring contract month, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

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 put and call options with all eligible exercise prices in the above ranges.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

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CHAPTER 357A

Options on NASDAQ 100 Index Futures

357A01.C. Minimum Fluctuations

The price of an option shall be quoted in index points. Each .01 index point shall represent \$1.00. The minimum fluctuation shall be 0.25 index points (also know as one tick), equivalent to \$25.00 per contract. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$5.00.

357A01.E. Exercise Prices

The exercise prices shall be stated in terms of the futures contract which is deliverable upon exercise of the option. In all contract months, the exercise prices shall be an integer divisible by 25 without remainder, e.g., 2000, 2025, 2050, etc.

A referencing index shall be determined each quarter on the expiration day of the March Quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month NASDAQ 100 Index futures contracts. The chosen referencing index will then be used to calculate the index points for the 15% and 7.5% ranges for various contract month options as specified below. The index points are rounded to the nearest integer.

For all eligible contract months, the Exchange shall list all eligible exercise prices in a range of 15 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

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

When a contract month becomes the nearest expiring 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. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

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.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

CHAPTER 359A

Options on E-mini NASDAQ 100 Index® Futures

359A01.C. Minimum Fluctuations

The price of an option shall be quoted in index point. Each .01 index point shall represent \$0.20. The minimum fluctuation shall be 0.25 index points (also known as one tick), equivalent to \$5.00 per contract. A trade with a price equal to or less than 3.00 index points may also occur at a price in multiples of .05 index points, \$1.00.

359A01.E. Exercise Prices

The exercise prices shall be stated in terms of the E-Mini Nasdaq 100 Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be integers divisible by 25 without remainder, e.g., 2000, 2025, 2050, 2075, etc.

At the commencement of option trading for E-Mini Nasdaq 100 option contracts the Exchange shall list all eligible exercise prices in a range of 100 index points above and below the previous day's settlement price of the E-Mini Nasdaq 100 Index futures contract.

When a contract month becomes the nearest expiring contract month, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

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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 put and call options with all eligible exercise prices in the above ranges.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.