

June 10, 2004

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW.
Washington, DC 20581

Re: Reference File #2448.03
Request for Commission Rule Approval

Dear Ms. Webb:

By letter dated April 29, 2004 (CBOT Reference File #2448.01), the Chicago Board of Trade (CBOT[®]) submitted, pursuant to Section 5c(c) of the Commodity Exchange Act and Commission Regulations 40.4 and 40.5, a proposed amendment to CBOT Regulation 425.01. The proposed amendment was to remove, in its entirety, Footnote #8 of that regulation, which specifies “telescoping” speculative position limits for March and May Wheat contracts during the last five days of trading.

At the request of Commission staff, the CBOT hereby modifies its proposal such that a revised Footnote #8 would replace the current Footnote #8 as follows (deletions bracketed and struck through; additions underlined):

~~[#8 In the last five trading days of the expiring futures month, the speculative position limit for the March futures month will be 350 contracts and for the May futures month the limit will be 220 contracts. For the purposes of these regulations, one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Wheat contract.]~~

#8 In the last five trading days of the expiring futures month in May, the speculative position limit will be 600 contracts if deliverable supplies are at or above 2,400 contracts, 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts, 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts, 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts, and 220 contracts if deliverable supplies are below 1,200 contracts. Deliverable supplies will be determined from the CBOT’s Stocks of Grain report on the Friday preceding the first notice day for the May contract month. For the purposes of these regulations, one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Wheat contract.

Ms. Jean A. Webb
June 10, 2004
Page Two

Since deliverable supplies for the CBOT March Wheat futures expiration have been well above the required level of 12 million bushels in every year except 1997 during the 1995 – 2004 period, the Exchange continues to believe that the telescoping feature for speculative position limits for the March contract should be eliminated. At the same time, revised Footnote #8 takes into account that deliverable supplies for the CBOT May Wheat futures expiration have been below the 12 million bushel level in four of the past ten years.

In connection with this modification, the CBOT hereby agrees to an extension, through June 28, 2004, of the CFTC review period with respect to this proposal.

Sincerely,

Paul J. Draths
Vice President and Secretary

cc: Martin Murray