

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-148

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 05/03/2016 Filing Description: Amendments to Position Limits for Standard and Poor's 500 Stock Price Index™ Futures Contracts, E-mini Standard and Poor's Select Sector™ Stock Index Futures, S&P 500 Growth Value Futures and S&P 500 Index Value Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

May 3, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to Position Limits for Standard and Poor's 500 Stock Price Index™ Futures Contracts, E-mini Standard and Poor's Select Sector™ Stock Index Futures, S&P 500 Growth Value Futures and S&P 500 Index Value Futures Contracts.
CME Submission No. 16-148**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is amending all-month position limits applicable to Standard and Poor's 500 Stock Price Index™ ("SP") futures and underlying futures and options, S&P 500 Growth Index ("SG") futures, S&P 500 Value Index ("SU") futures, and E-mini Standard and Poor's Select Sector™ Stock Index futures, effective Sunday, May 22, 2016 for trade date of Monday, May 23, 2016 as follows:

The all-month position limit for SP futures shall be raised from 28,000 net futures equivalents to 60,000 net futures equivalents. *The amended position limit shall extend immediately, moreover, to E-mini Standard and Poor's 500 Stock Price Index ("ES") futures, for which the applicable all-month position limit aggregates into SP futures at a ratio of five ES contracts per one SP contract (5 ES : 1 SP).*

For two other CME products, SG futures and SU futures, the applicable all-month position limits currently aggregate into SP net futures equivalent exposures, in each case according to a ratio of two SG or SU contracts per one SP contract. By contrast, the arithmetic relationships among the S&P 500 Index and the two S&P 500 sub-indexes that respectively underlie SG and SU futures do not reflect the 2:1 proportionality enshrined in the position limit aggregation requirements. (As indicated in the second and third rows of Exhibit 2 below, for example, the current scale of market capitalization of each of the two S&P 500 sub-indexes in question is approximately two thirds of the current market capitalization of the S&P 500 Index itself.) Accordingly, as amended herein, all-month position limits applicable to SG futures and SU futures no longer shall aggregate into all-month position limits for SP futures, and instead shall be assigned independent levels.

For each of the nine products in the suite of E-mini S&P Select Sector futures, the corresponding all-month position limit shall be increased from 12,500 net futures equivalents to 25,000 net futures equivalents.

These amendments, summarized in Exhibit 1, shall serve to bring position limits into closer alignment with market capitalization levels of the stock price indexes that underlie the corresponding futures products. All such amendments shall be codified in the Position Limit, Position Accountability and Reportable Level

Table (“Table”) in the Interpretations Section of Chapter 5 of the CME Rulebook, as set forth in Appendix A of this correspondence, with additions underscored and deletions ~~overstruck~~.

Exhibit 1 – Proposed Amendments to Position Limits

Futures Contract	Commodity Code	Contract Size (\$ per Index point)	Current All Month Limit (Net Futures Equivalents)	New All Month Limit (Net Futures Equivalents)
S&P 500 Stock Price Index	SP	250	28,000	60,000
S&P 500 Growth Index	SG	250	2 SG : 1 SP	120,000
S&P 500 Value Index	SU	250	2 SU : 1 SP	120,000
E-mini S&P Select Sector Stock Price Index Futures				
Consumer Discretionary	XAY	100	12,500	25,000
Consumer Staples	XAP	100	12,500	25,000
Energy	XAE	100	12,500	25,000
Financial	XAF	250	12,500	25,000
Health Care	XAV	100	12,500	25,000
Industrial	XAI	100	12,500	25,000
Materials	XAB	100	12,500	25,000
Technology	XAK	100	12,500	25,000
Utilities	XAU	100	12,500	25,000

The Exchange has reviewed the designated contract market core principles (“Core Principles”) set forth in the Commodity Exchange Act (“CEA” or “Act”) and has identified that the rule amendments certified herein may bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in the contracts that are subject to the rule amendments certified herein shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in such contracts shall be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in such contracts shall be subject to monitoring and surveillance by the Exchange’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 5 – Position Limits or Accountability

For each futures product at hand, although the new all-month position limit certified herein is more liberal than the corresponding current all-month position limit, it remains conservative in proportion to the respective underlying market in member stocks of the S&P stock price index that underlies the futures contract. Exhibit 2 illustrates with index market capitalizations as of March 31, 2016.

Exhibit 2 – Scale of Current and Amended Position Limits

Futures Contract	Contract Size (\$ per Index point)	Index Level, 31 Mar 2016 (points)	Index Market Capitalization, 31 Mar 2016 (\$ blns)	Current			Amended		
				All Month Limit (contracts)	Position Limit Size (\$ blns)	Position Limit Size / Index Mkt Capitalization (pct)	All Month Limit (contracts)	Position Limit Size (\$ blns)	Position Limit Size / Index Mkt Capitalization (pct)
S&P 500 Stock Price	250	2,059.740	18,835.988	28,000	14.418	0.077	60,000	30.896	0.164

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Index									
S&P 500 Growth Index	250	1,164.940	12,668.055	2 SG : 1 SP	16.309	0.129	120,000	34.948	0.276
S&P 500 Value Index	250	888.950	12,794.560	2 SU : 1 SP	12.445	0.097	120,000	26.669	0.208
E-mini S&P Select Sector Futures									
Cons Discrtny	100	796.680	2,445.592	12,500	0.996	0.041	25,000	1.992	0.081
Cons Staples	100	533.370	2,138.308	12,500	0.667	0.031	25,000	1.333	0.062
Energy	100	621.230	1,233.252	12,500	0.777	0.063	25,000	1.553	0.126
Financial	250	225.120	2,999.476	12,500	0.704	0.023	25,000	1.407	0.047
Health Care	100	680.640	2,612.954	12,500	0.851	0.033	25,000	1.702	0.065
Industrial	100	555.600	1,873.170	12,500	0.695	0.037	25,000	1.389	0.074
Materials	100	474.580	526.836	12,500	0.593	0.113	25,000	1.186	0.225
Technology	100	445.740	4,386.391	12,500	0.557	0.013	25,000	1.114	0.025
Utilities	100	501.960	620.009	12,500	0.627	0.101	25,000	1.255	0.202

Data Sources: CME Group, S&P Dow Jones Indices

In the case of SP futures, that day's closing value of the futures contract's underlying reference, the S&P 500 Index ("Index"), was 2,059.74 Index points, reflecting market capitalization greater than \$18.8 trillion. The current all-month position limit of 28,000 net SP futures equivalents signifies notional Index exposure of approximately \$14.4 billion, slightly less than eight hundredths (0.077) of one percent of Index market capitalization. The amended all-month position limit of 60,000 net SP futures equivalents, certified herein, would represent notional Index exposure of approximately \$30.9 billion, or 16.4 hundredths (0.164) of one percent of Index market capitalization. In both cases, the scale of an account position in SP futures, at its position limit, would remain *de minimis* relative to the scale of the contract-grade cash market. (An identical result obtains for ES futures, given that ES futures and SP futures each deliver by cash settlement by reference to the same underlying index.)

Generally similar outcomes emerge for SG futures, SU futures, and the nine products in the suite of E-mini S&P Select Sector futures. In each instance, the amended all-month position limit will either approximately double (in the case of SG futures and SU futures) or exactly double (in the case of E-mini S&P Select Sector futures) the size of the currently applicable all-month position limit. Yet in no case would the amended all-month position limit signify more than three tenths of one percent (ie, 0.3 percent) of the March 2016 month-end market capitalization of the corresponding S&P stock price index. The statistics in the rightmost column of Exhibit 2 exemplify that the financial exposures embodied in the amended all-month position limits certified herein are uniformly between two and three orders of magnitude smaller than the 25 percent maximum share of estimated deliverable supply that would comply with Commission guidance for implementation of spot month position limits for futures.¹

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report ("SER") that sets forth information in regard to Rule amendments certified herein. In addition, the SER will be posted on the CME Group website.

Core Principle 13 – Disciplinary Procedures

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the contracts for which amendments to terms and conditions are certified herein shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in these products are identified.

The Exchange certifies that position limits amendments certified herein comply with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

¹ 17 CFR Part 151.

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The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover)

Appendix A

**Position Limit, Position Accountability, and Reportable Level Table in Chapter 5
of the CME Rulebook**

(Attached under separate cover.)