

RECEIVED  
C.F.T.C.

2004 JUL -8 PM 1:58



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

July 8, 2004

RE: Exchange Certification of Amendments to Chapters 504, 91-Day Mexican Treasury Bill (CETES) futures and 505, 28-Day Mexican Interbank Equilibrium Interest Rate (TIIE) futures. CME Submission #04-60

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "the Exchange") hereby notifies the Commission of amendments to Chapters 504 and 505, the CETES and TIIE Futures contracts.

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

It has come to our attention that the Bank of Mexico has introduced a modification to its TIIE survey methodology that lead to a confusion in the final settlement price determination of the TIIE futures. Previously the Bank of Mexico rounded its rate to 1/100<sup>th</sup> of percentage point but since has adjusted this rate's rounding convention to 1/10,000<sup>th</sup> of a percentage point.

To eliminate confusion in the futures market and avoid technical difficulties, an amendment is being made to round the final settlement price to 1/100<sup>th</sup> of a percentage point irrespective of the higher precision adopted by the Bank of Mexico.

To prevent similar issues from occurring on the CETES futures contract, an identical rounding convention will be implemented

Clarifications on Rule numbers 50403.A. and 50503.A. follow below. Additions are underlined and deletions are bracketed and struck out.



We hereby agree that these changes shall not be implemented earlier than the business day following the Commission's receipt of this filing. 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 #04-60 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 long horizontal stroke extending to the right.

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

Chapter 504 91-Day Mexican Treasury Bill (CETES) Futures

**50403.A. Final Settlement Price**

The final settlement price shall be 100 minus the weighted average yield (“Tasa Ponderada del Rendimiento de la Subasta”), rounded to the nearest 1/100th of a percentage point, accepted in the Mexican Treasury’s 91-Day Mexican Treasury Bill auction on the day of the termination of trading of the contract month. (If the third decimal place is equal to or greater than five (5) then the average yield is rounded up. For example, a rate of 7.3450 - would be rounded to 7.35 and then subtracted from 100 to determine a final settlement price of 92.65.)

In the event that the Mexican Treasury does not conduct an auction on the day of the termination of trading of the contract month, the Final Settlement Price shall be based on the theoretical 91-Day CETES rate (“Tasa de Descuento Promedio Estimada”) published in the Boletín Bursátil by the Bolsa Mexicana de Valores representing secondary market transactions on the day of the termination of the contract.

Chapter 505 28-Day Mexican Interbank Equilibrium Interest Rate (TIIE) Futures

**50503.A. Final Settlement Price**

The final settlement price shall be 100 minus the 28-Day TIIE (“Tasa de Interés Interbancario de Equilibrio”) rate, rounded to the nearest 1/100th of a percentage point, determined by the Mexican Central Bank on the day of the termination of trading of the 28-Day TIIE contract. (If the third decimal place is equal to or greater than five (5) then the TIIE rate is rounded up. For example, a rate of 7.3450 - would be rounded to 7.35 and then subtracted from 100 to determine a final settlement price of 92.65.)