

# ELX Futures

January 6, 2010

Mr. David A Stawick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

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OFFICE OF THE SECRETARIAT  
C.F.T.C.

RE: Certification of ELX Futures, L.P. Ultra Long-Term U.S. Treasury Bond Futures Contract Terms and Conditions and Related Rules.

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.2, ELX Futures, L.P. ("ELX") submits, by self certification, notification to the Commission that it will list its Ultra Long-Term U.S. Treasury Bond Futures ("Ultra Bond Futures") contract effective on trade date January 11, 2010.

## Description of Contract Terms and Conditions

The Ultra Bond Futures contract is nearly identical to the ELX U.S. Treasury Bond Futures contract except that the deliverable grade will include U.S. Treasury bonds that have a remaining term to maturity of no less than 25 years from the first day of the contract delivery month, instead of 15 years. Terms and conditions for the new contract are being added as new section (f) to ELX Rule IX – 3 (see text of rule in Attachment A).

The position accountability level for the new contract is 10,000 futures contracts and the position limit during the last ten trading days of a maturing contract will be 20,000 futures contracts. The reportable level is 1,500 contracts. The minimum quantity for block trades will be 500 futures contracts and the No-Bust range for the new contract is 30/32nds of a point.

At launch, ELX Futures will list three quarterly contracts: March 2010, June 2010 and September 2010.

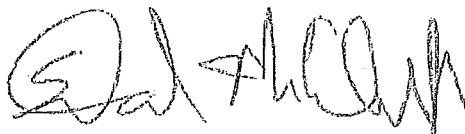
These specifications were provided in a notice (ELXNTP-GEN-09026 included as Attachment B) issued on December 23, 2009.

ELX Futures has received no opposing views regarding the new contract and associated rule amendments.

ELX Futures hereby certifies to the CFTC, pursuant to the procedures set forth in CFTC Regulation 40.2 that the terms and condition of the Ultra Bond Future contract and associated rules comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Please contact the undersigned at (212) 829-5241 if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel McElduff". The signature is stylized and somewhat cursive.

Daniel McElduff  
Senior Vice President and Compliance Director

attachments

**TEXT OF PRODUCT TERMS AND CONDITIONS**

**New section (f) to be added to ELX Rule IX-3. Other sections of the rule remain unchanged.**

(f) Ultra Long-Term U.S. Treasury Bond Futures:

(i) *Contract Size.* One U.S. Treasury bond having face value at maturity of \$100,000.

(ii) *Deliverable Grades.* U.S. Treasury bonds that, if callable, are not callable for at least 25 years from the first day of the delivery month or, if not callable, have a remaining term to maturity of at least 25 years from the first day of the delivery month. The invoice price equals the futures settlement price times a conversion factor, plus accrued interest. The conversion factor is the price of the delivered bond (\$1 par value) to yield 6 percent.

(iii) *Tick Size.* The minimum price fluctuation shall be one half of one thirty-second ( $1/32$ ) of one point (\$15.625 rounded up to the nearest cent per Contract) except for inter-month spreads, where the minimum price fluctuation shall be one quarter of one thirty-second of one point (\$7.8125 per Contract). Par shall be on the basis of 100 points.

(iv) *Price Quote.* Points (\$1,000) and halves of  $1/32$  of a point. For example, 105-16 represents 105  $16/32$ , and 105-165 represents 105  $16.5/32$ .

(v) *Delivery Months.* March, June, September and December.

(vi) *Last Trading Day.* Seventh Business Day preceding the last Business Day of the delivery month.

(vii) *First Delivery Day.* First Business Day of the delivery month.

(viii) *Last Delivery Day.* Last Business Day of the delivery month.

(ix) *Day of Intention.* No later than 9:00 p.m. on the second business day preceding the intended day of delivery, the short Clearing Privilege Holder must tender to the Clearinghouse all notices of intention to make delivery such as it has received from its customers who are short. Where an FCM, as a Clearing Privilege Holder, has an interest both long and short for customers on its

own books, it must tender all such notices of intention to deliver. To each short Clearing Privilege Holder who has issued a notice of intention to make delivery, the Clearinghouse shall assign long Clearing Privilege Holders who shall be obligated to take delivery. Upon making such assignment, the Clearinghouse shall promptly furnish to each short Clearing Privilege Holder making delivery the names of the long Clearing Privilege Holders assigned to take delivery from such short Clearing Privilege Holder.

(x) *Date of Delivery.* No later than 11:00 a.m. on the delivery day, the short Clearing Privilege Holder must have contract grade U.S. Treasury Bonds in place at its bank in delivery form acceptable to its bank. The short Clearing Privilege Holder must notify its bank to transfer contract grade U.S. Treasury Bonds by book-entry to the long Clearing Privilege Holder's account at the long Clearing Privilege Holder's bank on a delivery versus payment basis. On the delivery day, the long Clearing Privilege Holder must make funds available by 8:30 a.m. and notify its bank to accept contract grade U.S. Treasury Bonds and to remit the funds via the federal wire system to the short Clearing Privilege Holder's account at the short Clearing Privilege Holder's bank in payment for delivery of the notes or bonds. Contract grade U.S. Treasury Bonds must be transferred and payment must be made before 2:00 p.m. on the delivery day. All deliveries must be assigned by the Clearinghouse.

(xi) *Delivery Method.* Federal Reserve book-entry wire transfer system between accounts of Clearing members at qualified banks, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities, Subpart O—Book-Entry Procedure, and 31 CFR Part 357—Regulations Governing Book-Entry of U.S. Treasury Bonds, Notes and Bills Held in Legacy Treasury Direct®.

(xii) *Seller Invoice to Buyer.* Upon determining the buyers obligated to accept deliveries tendered by issuers of delivery notices, the Clearinghouse will promptly furnish each issuer the names of the buyers obligated to accept delivery from the issuer, and a description of each security tendered by the issuer which was assigned by the Clearinghouse to each such buyer. Thereupon, sellers (issuers of delivery notices) shall prepare invoices addressed to their assigned buyers, describing the documents to be delivered to each such buyer. Such invoices shall show (i) the identity of the U.S. Treasury Bonds that shall be tendered and (ii) the amount which buyers must pay to sellers in settlement of the actual deliveries, based on the delivery prices established by the Clearinghouse, and adjusted for applicable interest payments. Such invoices shall be delivered to the Clearinghouse by the cut-off

time specified by the Clearinghouse from time to time in its operations manual on the Business Day preceding the day of delivery (deliveries to be made on the last delivery day may have a different specified cut-off time than deliveries on other delivery days). Upon receipt of such invoices, the Clearinghouse shall promptly make them available to buyers to whom they are addressed.

(xiii) *Buyer Invoice to Seller.* No later than 5:00 p.m. on the Business Day preceding the delivery day, the long Clearing Privilege Holder shall provide the short Clearing Privilege Holder a Banking Notification. The Banking Notification shall include the identification number and name of the long Clearing Privilege Holder taking delivery, the delivery date, the notification number of the Clearinghouse delivery assignment, the identification number and name of the short Clearing Privilege Holder making delivery, the quantity of the contract being delivered, the long Clearing Privilege Holder's bank, bank account number and specific instructions for the transfer of the securities.

(xiv) *Trading Hours.* 6:30 p.m. – 5:00 p.m., New York City time, Sunday – Friday. Trading for the 1st nearby contract will close at 1:01 p.m. ET on the Last Trading Day.

(xv) *Ticker Symbols.* Electronic Outright: ZUe.

(xvi) *Daily Price Limit.* None.

(xvii) *Position Limit (applicable to the last ten trading days of the expiring futures month).* 20,000.

(xviii) *Position Accountability.* 10,000.

(xix) *Reportable Level.* 1,500.

# ELX Futures

December 23, 2009  
ELXNTP-GEN-09026

## **ELX FUTURES ULTRA LONG-TERM U.S. TREASURY BOND FUTURES**

Please be advised that ELX Futures, L.P. ("ELX Futures") will launch its Ultra Long-Term U.S. Treasury Bond Futures contract on trade date Monday, January 11, 2010 (market open 6:30 p.m. ET on Sunday, January 10, 2010).

ELX Futures will initially list three contracts months on a quarterly cycle and the associated calendar spreads, beginning with the March 2010 contract.

The fee schedule and trading hours for the existing ELX US Treasury complex will apply.

A summary of specifications is attached for your review.

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**Please contact ELX Support at 877-359-6610/212-294-7771 or via e-mail at [support@elxfutures.com](mailto:support@elxfutures.com) with any questions.**

Attachment – Contract Specifications  
ELXNTP-GEN-09026

<b>Product Name</b>	<b>Ultra Long-Term U.S. Treasury Bond Futures</b>
<b>Contract Size</b>	One U.S. Treasury bond having face value at maturity of \$100,000.
<b>Deliverable Grades</b>	U.S. Treasury bonds that, if callable, are not callable for at least 25 years from the first day of the delivery month or, if not callable, have remaining term to maturity of at least 25 years from the first day of the delivery month. The invoice price equals the futures settlement price times a conversion factor, plus accrued interest. The conversion factor is the price of the delivered bond (\$1 par value) to yield 6 percent.
<b>Tick Size</b>	The minimum price fluctuation shall be one half of one thirty-second (1/32) of one point (\$15.625 rounded up to the nearest cent per contract) except for inter-month spreads, where the minimum price fluctuation shall be one quarter of one thirty-second of one point (\$7.8125 per contract). Par shall be on the basis of 100 points.
<b>Price Quote</b>	Points (\$1,000) and halves of 1/32 of a point. For example, 105-16 represents 105 16/32, and 105-165 represents 105 16.5/32.
<b>Contract Months</b>	Mar, Jun, Sep, Dec
<b>Last Trading Day</b>	Seventh business day preceding the last business day of the delivery month. Trading in expiring contracts closes at 1:01 p.m. ET on the last trading day.
<b>Last Delivery Day</b>	Last business day of the delivery month
<b>Delivery Method</b>	Federal Reserve book-entry wire-transfer system
<b>Trading Hours</b>	For trading hours see <a href="http://www.elxfutures.com">ELX Futures Website (www.elxfutures.com)</a> .
<b>Spot Month Limit</b>	Position limits of 20,000 futures contracts will be implemented during an expiring contract's last ten trading days.
<b>Accountability Level</b>	10,000
<b>Reportable Level</b>	1,500
<b>Block Trade Minimum</b>	500
<b>Ticker Symbols</b>	ZUe
<b>No Bust Range</b>	30/32nds
<b>Margin Rate</b>	To be determined near launch date. For margin rate updates see <a href="http://www.elxfutures.com">ELX Futures Website (www.elxfutures.com)</a> .