



CME Group

A CME/Chicago Board of Trade/NYMEX Company

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

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February 19, 2010

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: CME Rules 251A01, 252A01, 253A01, 254A01, 255A01, 261A01,
270A01, 271A01, 318A01, 319A01, 451A01, 452A01, 460A01
CME Submission No. 10-044**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission that it is deleting legacy references in multiple product chapters to former Rule 584 ("Globex Volatility Quotes) which was previously deleted from the Rulebook. In those FX options products which may be quoted in volatility terms, the "Price Increments" rule in each of the affected chapters contains language setting forth the minimum fluctuation percentage applicable for such volatility quotes. Quoting in volatility terms is not permitted with respect to the three interest rate option chapters which also show elimination of references to legacy Rule 584.

The revisions begin on the next page, with deletions overstruck. The Exchange certifies that the revisions comply with the Commodity Exchange Act and regulations thereunder.

If you have any questions regarding these changes, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or me at 312.648.5422. Please reference CME Submission No. 10-044 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Regulatory Counsel

Chapter 251A
Options on British Pound Sterling Futures

251A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex® converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00002 per pound sterling (equal to \$1.25).

Chapter 252A
Options on Canadian Dollar Futures

252A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Canadian dollar (equal to \$1.00).

Chapter 253A
Options on Japanese Yen Futures

253A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.0000001 per Japanese yen (equal to \$1.25).

Chapter 254A
Options on Swiss Franc Futures

254A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Swiss franc (equal to \$1.25).

Chapter 255A
Options on Australian Dollar Futures

255A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Australian dollar (equal to \$1.00).

Chapter 261A
Options on Euro Futures

261A01.C. Price Increments

[The first paragraph is unchanged.]

If options are quoted in volatility terms pursuant to Rule 584, the minimum fluctuation shall be 0.025 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Euro (equal to \$1.25).

Chapter 270A
Options on Chinese Renminbi Futures

270A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Chinese renminbi, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each \$0.00001 per Chinese renminbi (one point x \$10 per point) shall represent \$10.00. For

example, a quote of .00065 represents an option price of \$650.00 (65 points x \$10.00 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.000005 (\$5.00, also known as one-half tick), \$.000015 (\$15.00), \$.000025 (\$25.00), \$.000035 (\$35.00), \$.000045 (\$45.00), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Chapter 271A **Options on Korean Won Futures**

271A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Korean Won, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each \$.0000001 per Korean Won (one point) shall represent \$12.50. For example, a quote of .0000063 represents an option price of \$787.50 (63 points x \$12.50 per point). The minimum fluctuation shall be one point (also known as one tick).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Chapter 318A **Options on Chinese Renminbi/Euro (RMB/ Euro) Cross Rate Futures**

318A01.C. Price Increments

The price of an option shall be quoted in Euro per Chinese renminbi, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each .00001 Euro per Chinese renminbi (one point x €10.00 per point) shall represent 10 Euro. For example, a quote of .00065 represents an option price of €650.00 (65 points x €10.00 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of €.000005 (€5.00, also known as one-half tick), €.000015 (€15.00), €.000025 (€25.00), €.000035 (€35.00), €.000045 (€45.00), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Chapter 319A **Options on Chinese Renminbi/Japanese Yen (RMB/ Japanese Yen) Cross Rate Futures**

319A01.C. Price Increments

The price of an option shall be quoted in Japanese yen per Chinese renminbi, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each .001 Japanese yen per Chinese renminbi (one point x ¥1,000 per point) shall represent 1,000 Japanese yen. For example, a quote of .065 represents an option price of ¥65,000 (65 points x ¥1,000 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of ¥.0005 (¥500, also known as one-half tick), ¥0.0015 (¥1,500), ¥0.0025 (¥2,500), ¥0.0035 (¥3,500), ¥0.0045 (¥4,500), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Chapter 451A **Options on 13-week U.S. Treasury Bills Futures**

451A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each .01 IMM Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25). The minimum fluctuation shall be .005 IMM Index points (also known as one-half tick).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Chapter 452A **Options on Three-month Eurodollar Futures**

452A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each .01 IMM Index point (1 basis point) shall represent \$25, except for 5 Year bundle options as specified in Paragraph 3. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).

Chapter 460A **Options on Three-Month Overnight Index Swap Futures**

460A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points, ~~except as provided in Rule 584 (GLOBEX Volatility Quotes)~~. Each .01 IMM Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).