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OFFICE OF THE  
SECRETARIAT

March 1, 2011

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

**Re: Notification of intent to modify procedures for listing of strike prices in  
Options on CME Three-Month Euroyen futures.  
CME Submission No. 11-088**

Dear Mr. Stawick:

By this letter, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") notifies the Commodity Futures Trading Commission ("Commission") of its intent to modify rules for listing of strike prices in options on Three-Month Euroyen futures. For each such option series the Exchange determines the strike price array in relation to the at-the-money strike price (defined as the strike price nearest to the previous daily settlement price for the corresponding Three-Month Euroyen futures contract).

Under current listing rules, for each option series the Exchange lists strike prices at intervals of  $\frac{1}{4}$  of one Three-Month Euroyen futures price point, with reference to such option's term to expiration as follows:

For remaining term to expiration up to and including 12 months, all strike prices within 1.50 price points above and below the at-the-money strike price.

For remaining term to expiration from 12 months up to and including 15 months, all strike prices within 1.75 price points above and below the at-the-money strike price.

For remaining term to expiry longer than 15 months, all strike prices within 2.25 price points above and below the at-the-money strike price.

Additionally, for options expiring in the two nearest March-Quarterly months (i.e., March, June, September, or December), and for all options expiring in non-March-Quarterly months, the Exchange also lists all strike prices at odd-numbered increments of  $\frac{1}{8}$  of one price point (i.e., strike prices for which the last three digits are .125, .375, .625, or .875) within one (1) price point above and below the at-the-money strike price.

Under the amended rules given herein, for each option series the Exchange shall list all strike prices at intervals of  $\frac{1}{8}$  of one Three-Month Euroyen futures price point within 1.50 price points above and below the at-the-money strike price. The aim of the revision is to simplify administration and maintenance of option strike price arrays.

The Appendix details amendments to CME Rulebook Chapter 501A, which shall take effect immediately upon certification. CME certifies that these rule changes comply with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

Please direct inquiries regarding this submission to Frederick Sturm at 312.930.1282 or [frederick.sturm@cmegroup.com](mailto:frederick.sturm@cmegroup.com), or me at 312.466.7478. Please reference CME Submission No. 11-088 in any related correspondence.

Sincerely,

/s/ Timothy Elliott  
Director and Associate General Counsel

**Appendix**  
**Proposed Changes to CME Rulebook Chapter 501A --**  
**Options on Three-Month Euroyen Futures**

(Additions are underlined. Deletions are ~~struck through~~.)

**501A01.E. Exercise Prices**

For any option, the exercise price shall be stated in terms of the IMM Index for the Three-Month Euroyen futures contract (CME Rule 50102.C.) that is deliverable upon exercise of such option. Customarily, and without limitation, the Exchange shall list exercise price levels as follows:

1. Quarter-Point Exercise Prices

For any given option expiration month (Rule 501A01.D.) the Exchange shall list options with exercise prices at intervals for which the last two digits are 00, 25, 50, or 75 ("quarter point exercise prices"), e.g., 93.00, 93.25, 93.50, 93.75.

At the commencement of trading in options for any given option expiration month, the Exchange shall list put and call options at the exercise price that is nearest to the previous daily settlement price of the respective underlying futures contract ("at-the-money exercise price"). The Exchange also shall list options for exercise at all eligible price levels within and including 1.50 IMM Index points above and 1.50 IMM Index point below such at-the-money exercise price level.

2. Special Listings of Eighth-Point Exercise Prices

At the commencement of trading in options for any given option expiration month, the Exchange shall list additional options with exercise prices at intervals for which the last three digits are 125, 375, 625, and 875 ("eighth point exercise prices"), e.g., 93.125, 93.375, 93.625, 93.875. The Exchange shall list options for exercise at all such price levels within and including 1.50 IMM Index points above and 1.50 IMM Index points below the at-the-money exercise price (Rule 501A01.E.1.).

Thereafter, the Exchange shall ensure that put and call options are listed for trading at all eligible exercise price levels (Rule 501A01.E.1. and 501A01.E.2.) within and including 1.50 IMM Index points above and 1.50 IMM Index points below the exercise price that is nearest to the previous daily settlement price of the respective underlying futures contract. For any given option expiration month, options may be listed for trading up to and including their termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

#### ~~1. Twenty-Five Point Exercise Prices~~

~~Exercise prices shall be stated in terms of the IMM Index for the Three Month Euroyen Time Deposit futures contract that is deliverable upon exercise of the option and shall be stated at intervals whose last two digits are 00, 25, 50 and 75 ("twenty-five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75, etc.~~

~~At the commencement of trading in a contract expiration, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the underlying futures contract. For contract months whose expiration date is up to and including 12 months away, all eligible exercise prices in a range of 1.50 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the exercise price nearest the previous day's settlement price. For contract months whose expiration date is more than 12 months up to and including 15 months away, all eligible exercise prices in a range of 1.75 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 1.75 IMM Index points above and 1.75 IMM Index points below the exercise price nearest the previous day's settlement price. For contract months whose expiration date is more than 15 months away, all eligible exercise prices in a range of 2.25 IMM Index points above and below the exercise price that is nearest the futures price shall be listed for trading. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.25 IMM Index points above and 2.25 IMM Index points below the exercise price nearest the previous day's settlement price. New options may be listed for trading up to and including the termination of trading.~~

#### ~~2. Special Listings of 12.5 Point Exercise Prices~~

~~For the nearest two options in the March Quarterly Cycle and the nearest two options not in the March Quarterly Cycle, additional exercise prices shall be stated in intervals whose last three digits are 125, 375, 625 and 875 ("twelve and a half point exercise prices") for all IMM Index levels, e.g., 98.625, 98.875, 99.125, 99.375, etc.~~

~~The Exchange shall list put and call options at the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract month and the 12.5 point exercise price above and the 12.5 point exercise price below the 12.5 point exercise price that is nearest the previous day's settlement price of the underlying futures contract.~~

~~The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~