



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

2010 SEP 24 AM 11 59

September 23, 2010

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

**RE: CME Chapters 351A and 358A -S&P 500 Weekly and E-mini S&P 500  
Options Strike Change Range  
Submitted per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a).  
CME Submission No. 10-271**

Dear Mr. Stawick:

Chicago Mercantile Exchange, Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of amendments to the options on the S&P 500 Weekly and E-mini S&P 500 Weekly contracts

The Exchange hereby amends the strike listing rule for the S&P 500 Weekly and E-mini S&P 500 options contracts to meet customers' demand. Under the amended listing rules, the strike range will expand to 30 strikes above and below the previous day's settlement price. Currently, strikes range is 10 strikes above and below the previous day's settlement price.

The text of the rule amendments is attached, with additions underlined and deletions overstruck. The amended strikes listing procedure shall become effective for trade date Monday, October 18, 2010.

CME certifies that this action complies with the Commodity Exchange Act and regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Ms. Lucy Wang, at 312-648-5478 or via e-mail at [lucy.wang@cmegroup.com](mailto:lucy.wang@cmegroup.com) or me at 312-648-5422. Please reference CME Submission No. 10-271 on all future correspondence regarding this notification.

Sincerely,

/s/ Stephen M. Szarmack  
Regulatory Counsel

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton  
CFTC Division of Market Oversight, Product Review & Analysis Section

20 South Wacker Drive Chicago, Illinois 60606 T 312 930 1000 [cmegroup.com](http://cmegroup.com)

## **Appendix 1: Amended Rules** *(Deletions are bracketed and overstruck.)*

### **Chapter 351A**

#### **Options on Standard and Poor's 500 Stock Price Index™ Futures**

##### **351A01.E. Exercise Prices <sup>1</sup>**

###### **1. Options in the March Quarterly Cycle**

The exercise prices shall be stated in terms of the Standard and Poor's 500 Stock Price Index futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring Standard and Poor's 500 Stock Price Index futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 25 without remainder, e.g. 1200, 1225, 1250, etc.

Exercise prices that are integers divisible by 10 without remainder shall be added, if they have not already been listed, within a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding ranges. New options may be listed for trading up to and including the termination of trading.

###### **2. Options Not in the March Quarterly Cycle**

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

###### **3. Options in the European Style "End-of-Month" Options Series**

Exercise prices for options in the European style "End-of-Month" Options Series listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January European style "End-of-Month" option series shall be identical to those listed for the March Quarterly options series.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

###### **4. Dynamically-Listed Exercise Prices**

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

###### **5. Options in the European Style Weekly Options Series**

At the commencement of trading, the Exchange shall list all exercise prices within 30 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 5 without remainder, e.g. 1200, 1205, 1210, etc.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

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<sup>1</sup> Revised March 1989; July 1989; June 1998; December 2000, December 2001, November 2005; August 2009.

**Chapter 358A**  
**Options on E-mini® Standard and Poor's 500**  
**Stock Price Index Futures**

**358A01.E. Exercise Prices<sup>2</sup>**

**1. Options in the March Quarterly Cycle**

The exercise prices shall be stated in terms of the E-Mini Standard and Poor's 500 Stock Price Index futures contract.

At the commencement of trading, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 25 without remainder, e.g. 1200, 1225, 1250, etc.

Exercise prices that are integers divisible by 10 without remainder shall be added, if they have not already been listed, within a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

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Thereafter, when a daily settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list, on the next trading day, all eligible exercise prices in the corresponding ranges.

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<sup>2</sup> Revised October 1998, December 2001; September 2005, November 2005; January 2008; August 2009.

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Chapter 351A**

**Options on Standard and Poor's 500 Stock Price Index™ Futures**

**351A01.E. Exercise Prices<sup>3</sup>**

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**Chapter 358A**  
**Options on E-mini® Standard and Poor's 500**  
**Stock Price Index Futures**

**358A01.E. Exercise Prices<sup>4</sup>**

**1. Options in the March Quarterly Cycle**

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