

## Special Executive Report

S-4675

February 28, 2008

### **CFTC APPROVES INCREASES IN LIVE CATTLE NON-SPOT POSITION LIMITS** **EFFECTIVE MONDAY, MARCH 10, 2008**

The Commodity Futures Trading Commission has approved increases in the non-spot position limits for Live Cattle Futures and Options on Live Cattle Futures to 5,400 contracts in any contract month, effective at the start of business on **Monday, March 10, 2008**.

These increases are based on the growth in open interest experienced in 2007, using a formula established by the CFTC.

The text of the rule amendments is given below, with additions underlined and deletions bracketed and overstruck:

### **LIVE CATTLE FUTURES**

#### **10102. FUTURES CALL**

##### **E. Position Limits**

No person shall own or control more than:

- a. ~~[5,150]~~ 5,400 contracts long or short in any contract month;
- b. 450 contracts long or short in the expiring contract month as of the close of business on the first business day following the first Friday of the contract month;
- c. 300 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last five business days of the contract month.

For positions involving options on Live Cattle futures, this rule is superseded by the option speculative position limit rule.

## OPTIONS ON LIVE CATTLE FUTURES

### 101A01. OPTION CHARACTERISTICS

#### F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds [5,450] 5,400 futures equivalent contracts net on the same side of the market in any contract month.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

These amendments will be effective the start of business on **Monday, March 10, 2008.**

If you have any questions regarding this matter, please contact Paul Peterson, Director, Commodity Research & Product Development at (312) 930-4587.