

Special Executive Report

S-4687

March 13, 2008

PROPOSED INCREASE IN ROUGH RICE SPECULATIVE LIMITS

Pending Commodity Futures Trading Commission approval, single- and all-month speculative position limits for Rough Rice Futures and Options will increase from 1,000 contracts to 1,800 contracts.

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:

ROUGH RICE FUTURES

17102.E. Position Limits

In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month; however, the speculative position limit during the last five trading days for the July futures month will be 200 contracts and for the September futures month the limit will be 250 contracts
2. [~~1,000~~] 1,800 futures-equivalent contracts net long or net short in any single contract month excluding the spot month.
3. [~~1,000~~] 1,800 futures-equivalent contracts net long or net short in all months combined. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

OPTIONS ON ROUGH RICE FUTURES

17A01.F. Position Limits

In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 futures contracts net long or net short in the spot month subject to the special provisions regarding the July and September contracts set forth in Rule 17102.E.
2. [~~1,000~~] 1,800 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.
3. [~~1,000~~] 1,800 futures-equivalent contracts net long or net short in all months combined. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

POSITION LIMIT AND REPORTABLE LEVEL TABLE

CONTRACT NAME	Opts	SCALE-DOWN SPOT MONTH	SPOT ¹ MONTH	SINGLE ² MONTH	ALL ³ MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options ⁴	REPORTABLE FUTURES LEVEL	REPORTABLE OPTIONS LEVEL
FINANCIALS								
U.S. Treasury Bonds	Y	(see #13)				10,000 / 25,000	1,500	1,500
U.S. Treasury Notes (5 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
U.S. Treasury Notes (6 ½ - 10 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
U.S. Treasury Notes (2 yr.)	Y	(see #13)				7,500 / 20,000	1,000	1,000
30 Day Fed Fund	Y					3,000 / N/A	600	600
Credit Default Swap Index						500 / N/A	200	
30-Year Interest Rate Swap						5,000 / N/A	500	
10-Year Interest Rate	Y					5,000 / 15,000	500	500

¹ Net long or short effective at the close of trading two business days prior to the first trading day of the delivery month.

² Futures-equivalent position limit net long or net short in any one month other than the spot month. Net equivalent futures long or short in all months and strike prices combined.

³ Futures-equivalent position limit net long or net short in all months and strike prices combined. Long futures contracts, long call options, and short put options are considered to be on the long side of the market, while short futures contracts, long put options, and short call options are considered to be on the short side of the market.

⁴ As described in Rule 560. Futures levels refer to futures equivalent contracts. Options levels refer to option contracts for all months and all strike prices combined in each option category (long call, long put, short call and short put).

Swap								
5-Year Interest Rate Swap	Y					5,000 / 15,000	500	500
Binary Options on the Fed	Y					N/A / 3,000		600
Mini-sized Eurodollars			10,000	10,000	10,000		400	
AGRICULTURAL								
Corn & mini-sized Corn	Y		600 (aggregate see #10)	13,500 (aggregate, see #1,10)	22,000 (aggregate, see #1,3,10)		250 (individual, see #11)	250
Soybeans & mini-sized Soybeans	Y		600 (aggregate see #10)	6,500 (aggregate, see #1,10)	10,000 (aggregate, see #1,4,10)		150 (individual, see #11)	150
South American Soybeans		(see #12)	600	3,500 (see #1)	5,500 (see #1)		25	
Wheat & mini-sized Wheat	Y	(see #8)	600 (aggregate see #10)	5,000 (aggregate, see #1,10)	6,500 (aggregate, see #1,7,10)		150 (individual, see #11)	150
Oats	Y		600	1,400 (see #1)	2,000 (see #1,6)		60	60
Rough Rice	Y	200 / 250 (see #5)	600	[4,000] 1,800	[4,000] 1,800 (see #2)		50	50
Soybean Oil	Y		540	5,000 (see #1,7)	6,500 (see #1,7)		200	200
Soybean Meal	Y		720	5,000 (see #1,7)	6,500 (see #1,7)		200	200
Soybean Crush Options				1,000 (see #1)	1,000			100
Ethanol (see #14)			200	1,000	1,000		25	25
NY Harbor Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gulf Coast Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Los Angeles Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ethanol Forward Month Swap		N/A	N/A	N/A	N/A	N/A	N/A	N/A
METALS								
5,000 oz. Silver	Y		1,500	6,000	6,000		150	150
100 oz. Gold	Y		3,000	6,000	6,000		200	200
Mini-sized Silver			1,500	1,500	3,000		750	
CONTRACT NAME		SCALE- DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options	REPORTABLE FUTURES LEVEL	REPORTABLE OPTIONS LEVEL
Mini-sized Gold			4,000	4,000	6,000		600	
DOW COMPLEX								
DJIA sm Index (\$25)					50,000 (see #9)		200	
DJIA sm Index (\$10)					50,000 (see #9)		200	200
DJIA sm Index (\$5)					50,000 (see #9)		200	200
DJ AIG ER Commodity Index							200	
DJ US Real Estate Index					5,000		200	

- #1 Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, do not exceed the all months combined limit. In addition, a person may own or control additional options in excess of the futures-equivalent limits provided that those option contracts in excess of the futures-equivalent limits are part of an eligible option/futures spread.
- #2 No more than ~~[1,000]~~ 1,800 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/options or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #3 No more than 13,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #4 No more than 6,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #5 In the last five trading days of the expiring futures month, the speculative position limit for the July futures month will be 200 contracts and for the September futures month the limit will be 250 contracts.
- #6 No more than 1,400 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #7 No more than 5,000 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #8 In the last five trading days of the expiring futures month in May, the speculative position limit will be 600 contracts if deliverable supplies are at or above 2,400 contracts, 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts, 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts, 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts, and 220 contracts if deliverable supplies are below 1,200 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month. For the purposes of this Appendix, one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Wheat contract.
- #9 The aggregate position limit in DJIA Index (\$25 multiplier) futures, mini-sized Dow (\$5 multiplier) futures and options, and DJIA Index futures and options is 50,000 DJIA Index futures contracts, net long or net short in all contract months combined. For the purposes of this appendix:

- One DJIA Index futures contract shall be deemed to be equivalent to two mini-sized Dow (\$5 multiplier) contracts.
 - One DJIA Index (\$25 multiplier) futures contract shall be deemed to be equivalent to five mini-sized Dow (\$5 multiplier) contracts.
 - Two DJIA Index (\$25 multiplier) futures contracts shall be deemed to be equivalent to five DJIA Index futures contracts.
- #10 The net long or net short positions in Corn, Soybeans, or Wheat contracts may not exceed their respective position limits. The net long or net short positions in mini-sized Corn, mini-sized Soybeans, or mini-sized Wheat contracts may not exceed their respective position limits. The aggregate net long or net short positions in Corn and mini-sized Corn, Soybeans and mini-sized Soybeans, or Wheat and mini-sized Wheat contracts may not exceed their respective position limits. For the purposes of this Appendix, one mini-sized Corn, one mini-sized Soybean, or one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Corn, Soybeans, or Wheat contract.
- #11 The reporting level for the primary contract is separate from the reporting level for the mini-sized contract. Positions in any one month at or above the contract level indicated trigger reportable status. For a person in reportable status, all positions in any month of that contract must be reported. For the purposes of this Appendix, positions are on a contract basis.
- #12 In the last five trading days of the expiring futures month, the speculative position limit for the November futures month will be 180 contracts and for the January futures month the speculative position limit will be 100 contracts.
- #13 In the last ten trading days of the expiring futures month, the following position limits in the expiring contract will apply: U.S. Treasury Bonds – 25,000 contracts; U.S. Treasury Notes (6½ - 10 Year) – 60,000 contracts; U.S. Treasury Notes (5 Year) – 45,000 contracts; U.S. Treasury Notes (2 Year) – 25,000 contracts. No hedge exemptions will be permitted with respect to these limits.
- #14 Net Futures Equivalent Position limit applies to Ethanol futures and Ethanol Standard Options only.