



Special Executive Report

S-4718

June 3, 2008

INCREASED NON-SPOT MONTH SPECULATIVE POSITION LIMITS FOR CME FEEDER CATTLE

The Exchange and the CFTC have approved increases in the non-spot month speculative position limits for futures and options in CME Feeder Cattle. The non-spot month position limit will increase from 1000 to 1500 contracts. The increases will become effective for all contract months on July 1, 2008.

Rule amendments for the increases are noted below. Deletions are overstruck and additions are underlined.

FEEDER CATTLE FUTURES

15202. FUTURES CALL

E. Position Limits

No person shall own or control more than:

1. ~~1,000~~ 1,500 contracts long or short in any contract month;
2. 300 contracts long or short in the spot month during the last ten days of trading.

For positions involving options on Feeder Cattle futures, this rule is superseded by the option speculative position limit rule.

OPTIONS ON FEEDER CATTLE FUTURES

102A01. OPTION CHARACTERISTICS

F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

1. ~~1,000~~ 1,500 futures equivalent contracts net on the same side of the market in any contract month;
2. 300 futures equivalent contracts net on the same side of the market in the spot month during the last ten days of trading.

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 along 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.

If you have any questions about this matter, please contact Jack Cook, Associate Director, Commodity Product Development at 312-930-3295 or Paul Peterson, Director, Commodity Product Development at 312-930-4587 or Joe Hawrysz, Associate Director, Market Regulation at 312-341-7750.