

April 15, 2005

Re-issued: February 10, 2006

**REMINDER**  
**NOTICE**

**SPOT MONTH EXEMPTIONS  
FROM SPECULATIVE POSITION LIMITS**

Questions have recently been received regarding the requirements for receiving hedge exemptions for **spot month** positions in CBOT products with speculative position limits.

Pursuant to CBOT Regulation 425.02 and Exchange policy, hedge exemptions from spot month speculative limits in futures contracts are granted only if such positions represent a substitute for positions to be taken at a later time in a physical marketing channel and the purpose of the position is to offset price risks incidental to that person's commercial cash or spot operations. Additionally, the person seeking the exemption must comply with the reporting requirements specified under Regulation 425.03 and all such positions must be established and liquidated in an orderly manner in accordance with sound commercial practices.

Spot month hedge exemptions requested for the purpose of hedging cash commodity index exposure, commodity swaps exposure or any other exposure not involving merchandising, processing or feeding are **not** granted by the CBOT. Hedge exemption requests for such positions outside of the spot month are considered by Exchange regulatory staff and may be granted.

Questions regarding this notice may be directed to William Lange (312.341.7757) or Joseph Hawrysz (312.341.7750) of the Office of Investigations and Audits.

Paul J. Draths  
Vice President and Secretary