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Special Executive Report

S-4024

November 14, 2003

EXPANDED DAILY PRICE LIMITS FOR FEEDER CATTLE

At its Regular Meeting on Wednesday, November 5, 2003 the Board of Directors approved a recommendation to adopt expanded daily price limits in Feeder Cattle futures. The expanded limits will operate in the same manner as those recently adopted for Live Cattle futures. **The limits procedure for Feeder Cattle futures will become effective, pending CFTC review, on Monday, November 17, 2003.**

The text of a rule amendment for expanded daily price limits in Feeder Cattle futures is noted below, with additions underlined and deletions bracketed and overstruck.

CHAPTER 102 FEEDER CATTLE FUTURES

10202. FUTURES CALL

D. Daily Price Limits

There shall be ~~[no trading at]~~ a daily price limit of ~~[more than]~~ \$.015 per pound above or below the previous day's settlement price.

If either of the two contracts nearest to expiration settles on the limit bid for two successive days or on the limit offer for two successive days, then the price limit shall be raised to \$.030 per pound for all contract months.

If the daily price limit is \$.030 and either of the two contracts nearest to expiration settles on the limit bid for two successive days or on the limit offer for two successive days, then the price limit shall be raised to \$.050 per pound for all contract months.

If the daily price limit is \$.050 and neither of the two contracts nearest to expiration settles on the limit bid or limit offer, without regard to market direction, then the daily price limit for all contract months shall revert to \$.030 on the next business day.

If the daily price limit is \$.030 and neither of the two contracts nearest to expiration settles on the limit bid or limit offer, without regard to market direction, then the daily price limit for all contract months shall revert to \$.015 on the next business day.

For the purposes of this rule, "two contracts nearest to expiration" may involve different contract months.

If you have any questions about this matter, please contact Jack Cook, Economist, Research and Product Development, at (312) 930-3295, or Paul Peterson, Director, Research and Product Development, at (312) 930-4587.