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Special Executive Report

S-4033

December 8, 2003

BOARD APPROVES NEW PRICE LIMITS FOR LIVE CATTLE AND FEEDER CATTLE

The Board of Directors has approved amendments to the daily price limits for Live Cattle and Feeder Cattle futures. The amendments change the daily price limits to \$.03 per pound, with no expandable limits. The Exchange intends to make these amendments effective for all contract months following CFTC approval.

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

CHAPTER 101 LIVE CATTLE FUTURES

10102. FUTURES CALL

D. Daily Price Limits

There shall be no trading at a price more than ~~[a daily price limit of \$.015]~~ \$.030 per pound above or below the previous day's settlement price.

~~[If either of the two contracts nearest to expiration in the even month cycle 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 in the even month cycle 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 in the even month cycle 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 in the even month cycle 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.]~~

CHAPTER 102
FEEDER CATTLE FUTURES

10202. FUTURES CALL

D. Daily Price Limits

There shall be no trading at a price more than ~~[a daily price limit of \$.015]~~ \$.030 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 there are any questions regarding this matter, please contact Paul Peterson, Director, Product Development at 312-930-4587 or Jack Cook, Economist, Product Development at 312-930-3295.