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## Special Executive Report

S-4066

February 18, 2004

### **CFTC APPROVES 3-CENT DAILY PRICE LIMITS FOR LIVE CATTLE AND FEEDER CATTLE FUTURES**

By letter dated February 17, 2004, the Commodity Futures Trading Commission has approved amendments to replace expandable daily price limits for Live Cattle and Feeder Cattle futures with uniform daily price limits of 3 cents per pound.

The amendments are presented 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.]~~

These amendments will become effective at the start of trading on Monday, February 23, 2004.

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