



Special Executive Report

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Increase in NASDAQ 100® Position Limits

On December 15, 2004, the Chairman, the Chief Executive Officer and the President and Chief Operating Officer jointly approved an increase in the position limits on all NASDAQ 100 products. Accordingly, the Exchange is increasing the position limits on all NASDAQ 100 products from 5,000 contracts to 10,000 contracts. This change will be effective immediately. The rule changes follow with additions underlined and deletions bracketed and struck out.

Chapter 357: NASDAQ 100 INDEX FUTURES

35702.D. Position Limits

A person shall not own or control more than 10,000 [~~5,000~~] contracts net long or net short in all contract months combined. For positions involving options on Nasdaq 100 Index futures, this rule is superseded by the option speculative position limit rule.

Chapter 357A: OPTIONS ON NASDAQ 100 INDEX FUTURES

357A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 [~~5,000~~] futures-equivalent contracts net on the same side of the market in all contract months combined.

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 a long 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.



Chapter 359: E-MINI™ NASDAQ 100 INDEX FUTURES

35902.D. Position Limits

A person shall not own or control more than 10,000 [~~5,000~~] Nasdaq 100 Index contracts or equivalent contracts net long or net short in all contract months combined. For purposes of this rule, an E-Mini Nasdaq 100 Index contract shall be deemed equivalent to one fifth (0.20) of a Nasdaq 100 Index futures contract. For positions involving options on E-Mini Nasdaq 100 Index futures, this rule is superseded by the option speculative position limit rule.

Chapter 359: OPTIONS ON E-MINI NASDAQ 100 INDEX FUTURES

359A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 [~~5,000~~] Nasdaq 100 futures-equivalent contracts net on the same side of the market in all contract months combined. For the purposes of this rule, each E-Mini Nasdaq 100 futures-equivalent contract shall be deemed equal to one-fifth (0.20) of a Nasdaq 100 Stock Price Index futures-equivalent contract.

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 a long 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.

For more information, please do not hesitate to call Brett Vietmeier, Associate Director, Equity Products at 312-930-3394 or Ariel Hantin, Senior Research Analyst, Research & Product Development at 312-559-4951.