



## Special Executive Report

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### **Non-Spot Month Position Limits Increased for Lumber**

The non-spot month speculative position limits for CME Random Length Lumber will be increased from 435 contracts to 1,000 contracts. The increase will be effective for all contract months effective Friday, July 1, 2005. A speculative position limit of 435 contracts will remain in effect for the spot month contract.

Amended rules are noted below, with additions underlined and deletions overstruck.

#### **RANDOM LENGTH LUMBER FUTURES**

##### 20102. FUTURES CALL

###### E. Position Limits

A person shall not own or control more than: ~~435 contracts in any one contract month.~~

1. 1,000 contracts long or short in any contract month;

2. 435 contracts long or short in the expiring contract month as of the close of business on the first business day of the contract month.

#### **OPTIONS ON RANDOM LENGTH LUMBER FUTURES**

##### 201A01. OPTION CHARACTERISTICS

###### F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds ~~435~~ 1,000 futures equivalent contracts net on the same side of the market in any contract month.

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 the 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.

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