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Special Executive Report

S-4338

September 22, 2005

DAILY PRICE LIMITS FOR PORK BELLIES SUBJECT TO CHANGE

Per Rule 15102.D, the daily price limits for CME Frozen Pork Bellies futures are set for a calendar quarter based on the settlement price for the contract nearest to expiration on the last business day of the prior quarter. The regular price limit is \$.02 per pound (expandable to \$.03) if that settlement price is below \$.60 per pound or \$.03 per pound (expandable to \$.045) if that settlement price is equal to or above \$.60 per pound.

The settlement price of the February 2006 contract month on Friday, September 30, 2005 will be used to determine the regular daily price limit for all contract months during the fourth quarter (October through December) of this year. At the present time, the daily price limit is \$.02 per pound (expandable to \$.03). **If the settlement price of the February 2006 contract on September 30 is above \$.60 per pound, then the daily price limit for all contract months will increase to \$.03 per pound (expandable to \$.045) beginning on Monday, October 3, 2005.**

A determination will be made for daily price limits in the first quarter of 2006 using the settlement price for the February 2006 contract month on Friday, December 30, 2005.

FROZEN PORK BELLIES FUTURES

15102. FUTURES CALL

D. Daily Price Limits

There shall be no trading at a price more than \$.020 or \$.030 or \$.045 per pound above or below the previous day's settlement price, as described below.

The regular daily price limit shall be set at the beginning of each calendar quarter based upon the settlement price of the contract nearest to expiration on the last business day of the prior calendar quarter. If the contract nearest to expiration settles at a price below \$.600 per pound on that day, the regular daily price limit for all contracts shall be \$.020 per pound for the following quarter. If the contract nearest to expiration settles at a price equal to or above \$.600 per pound on that day, the regular daily price limit for all contracts shall be \$.030 for the following quarter.

If the contract nearest to expiration settles on the limit bid for two successive days or on the limit offer for two successive days, except on the last trading day for the contract nearest to expiration in which case the contract second nearest to expiration shall serve the purposes of this rule, then, on the next business day, the daily price limit for all contracts shall be raised to 150% of the regular daily price limit applicable to that day.

If the contract nearest to expiration does not settle at a limit bid or limit offer without regard to market direction when the daily price limit has been raised to 150% of the regular daily price limit, except on the last trading day for the contract nearest to expiration in which case the contract second nearest to expiration shall serve the purposes of this rule, then, on the next business day, the daily price limits for all contracts shall revert to the regular daily price limit applicable to that day.

If there are any questions about this matter, please contact Jack Cook, Associate Director, Commodity Research and Product Development Department at 312/930-3295 or Paul Peterson, Director, Commodity Research and Product Development Department at 312/930-4587.