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May 6, 2004

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

RE: Section 5c(c) and Regulation §40.6 Submission - Exchange Certification of  
CME\$INDEX™ Futures Rule Change affecting Physical Delivery and Changes in the Description  
of CME\$INDEX  
CME Submission #04-34.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby submits, pursuant to Section 5c(c) of the Act and Regulation §40.6 thereunder, notification of the CME\$INDEX™ ("Index") futures rule changes affecting CME Rule 40402.A – Physical Delivery, and Interpretations and Notices Relating to CME Chapter 404 – A Description of the CME\$INDEX.

The rule changes were approved by the CME Board of Directors at its Regular Meeting on Wednesday, May 5, 2004. Exchange members, clearing firms, and other market participants will be notified of this information via CME Update 04-05, dated Monday, May 10, 2004. CME certifies that these actions neither violate nor are inconsistent with any provision of the Commodity Exchange Act or rules thereunder.

**Separating Index Maintenance from Contract Rules:** The CME\$INDEX is the first index constructed and maintained by the Exchange. The current rules for the CME\$INDEX futures contract includes language describing the index construction and maintenance methodology. It also contains current weights for the various currencies in the index.

The Index is derived from a set of currency weights published by the Board of Governors of the U.S. Federal Reserve System ("Fed"). The Fed typically revises its weights once every calendar year. It also can revise these weights at any time during the year. As per Exchange rules, every such revision will result in a change in weights for the CME\$INDEX (on the first trading day of the second calendar month after the revision).

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The two rule changes effectively separate the Index maintenance function from contract rules for CME\$INDEX futures, making it analogous to other index products listed and traded on the Exchange. Current component currency weights will no longer be shown in the rules. Instead, current currency weights will be available from the Exchange web site, [www.cme.com](http://www.cme.com), or by request.

The amendments to the Chapter 404 rules and interpretations appear in attached Appendix 1 with deletions bracketed and lined out, and additions underlined.

If any questions arise during the review of this submission, please do not hesitate to contact Sayee Srinivasan of my staff at 312-454-5205 or [ssriniva@cme.com](mailto:ssriniva@cme.com). Please reference our CME Submission Number 04-34 in related correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski", with a stylized flourish at the end.

John W. Labuszewski, Director  
Research & Product Development

/ss

## Appendix 1: Amended Rules

(Deletions are bracketed and lined out, and additions are underlined.)

### CHAPTER 404 CME\$INDEX™ FUTURES

(Rules 40400 through 40401 are unchanged.)

#### 40402. SETTLEMENT PROCEDURES

##### 40402.A. Physical Delivery

###### 1. Procedures

(Paragraphs 1 through 5 are unchanged, except for the deletion of the last sentence to paragraph 5.)

[The current currency-weights are:]

[Currency \_\_\_\_\_ Weight % (as of February 2, 2004)

European Union / Euro \_\_\_\_\_ 44.7531

Japan / yen \_\_\_\_\_ 23.0915

United Kingdom / pound \_\_\_\_\_ 16.4595

Switzerland / franc \_\_\_\_\_ 5.3834

Australia / dollar \_\_\_\_\_ 3.5775

Canada / dollar \_\_\_\_\_ 2.8578

Sweden / krona \_\_\_\_\_ 3.8772]

(The remainder of the rules is unchanged.)

#### INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 404

(The first eight paragraphs are unchanged.)

The table below lists the weights for the index as of February 2, 2004. Current weights shall be available from the Exchange website, <http://www.cme.com>, or by request. For purposes of comparison, CME has also included the weights from the Major Currency Index (an aggregate of the three sub-measures above) and the old G-10 index.

Country/currency	Weight (%)		
	CME\$INDEX	Major Currency Index	G-10 index
European Union/euro	44.7531	29.80	57.60
Japan/yen	23.0915	24.31	13.60
United Kingdom/pound	16.4595	7.90	11.90
Switzerland/franc	5.3834	2.20	3.60
Australia/dollar	3.5775	2.88	n.a.
Canada/dollar	2.8578	31.18	9.10
Sweden/krona	3.8772	1.73	4.20

(The remainder of the interpretation is unchanged.)