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May 7, 2004

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Modification of Rule 37703.A governing the calculation of Final Settlement Price for
E-mini NASDAQ Composite Index.
Submitted per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a).
CME Submission # 04-040.

Dear Ms. Webb:

Pursuant to Section 5c(c) of the Commodity Exchange Act ("CEA") and Regulation §40.6 thereunder, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby certifies the following amendments to the Exchange Rules governing the calculation of the Final Settlement Price for E-mini NASDAQ Composite Index futures. The Exchange certifies that this action neither violates nor is inconsistent with any provision of the CEA or of the rules thereunder.

The current calculation methodology for the final settlement price of the E-mini NASDAQ Composite Index futures, adopted since December 2003, is inconsistent with the methodology employed for other stock index futures, most notably the NASDAQ 100 Index futures and the E-mini NASDAQ 100 index futures. Specifically, the termination time for determining the volume-weighted opening price (VWOP) for each stock in the index for final settlement price determination is set at 9:30 a.m. Chicago Time on the expiration day. If a stock in the index is not open for trading by the termination time, the closing price of the stock at the conclusion of the previous business day is employed for the calculation of the index. For all other stock index futures employing similar methodology, the corresponding termination time is 3:00 p.m. Chicago Time, or at the close of the underlying market on the expiration day.

While the difference in the methodology introduces minimal actual deviation in the final settlement prices, the practice have generated concerns from market users that the VWOP for some stocks included in both the E-mini NASDAQ Composite and other indexes may differ, contributing to possible confusion.

The Exchange resolves to revise the calculation methodology for the E-mini NASDAQ Composite Index futures to conform to the methodology employed in other index futures, effective with the June 2004 contract. The rule amendments in regards to the E-mini NASDAQ Composite Index futures are noted below with deletions bracketed and overstruck and additions underlined.

CHAPTER 377: E-MINI NASDAQ COMPOSITE INDEX FUTURES

37703. SETTLEMENT PROCEDURES

Delivery under the E-Mini NASDAQ Composite Index futures contract shall be by cash settlement.

37703.A. Final Settlement Price

The Final Settlement Price shall be determined on the third Friday of the contract month or, if the NASDAQ Composite Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published.

The final settlement price shall be a Special Opening Quotation of the NASDAQ Composite Index to be determined by the NASDAQ Stock Market Inc. ("NASDAQ"). If the NASDAQ does not open on the day scheduled for the determination of the Final Settlement Price, then the Final Settlement Price shall be the Special Opening Quotation of the first subsequent day on which NASDAQ does open.

The Special Opening Quotation of the NASDAQ Composite Index shall be based on Volume Weighted Prices (VWP) of NASDAQ Composite Index stocks. The VWP of a stock shall be computed from transaction prices in the five-minute period beginning with its first transaction price at or after 8:30 a.m. Chicago time, as reported by NASDAQ.

The VWP of a stock in the index shall be a weighted average of its transaction prices during this five-minute period. The weight associated with a particular transaction price shall be the fraction of the total volume of trade during this five-minute period which was executed at this transaction price.

If the first transaction of a stock occurs after 2:55 PM [~~9:25 a.m.~~], Chicago time, then its VWP shall be computed from transaction prices reported before 3:00 p.m. [~~9:30 a.m.~~], Chicago time. If a stock does not trade after 8:30 a.m. and before 3:00 p.m. [~~9:30 a.m.~~], Chicago time, then its VWP shall be its closing price from the previous day. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

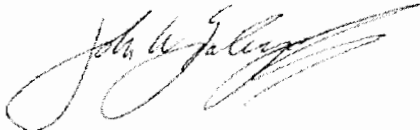
With the exception of trade reports with .O modifiers, trade reports that do not have modifiers attached to them shall be used for the computation of VWPs.

[The remainder of this Chapter remains unchanged.]

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Please do not hesitate to contact Mr. Richard Co at 312-930-3227 or rco@cme.com if any questions arise during the processing of this submission. Please reference our CME Submission #04-040 on all future correspondence for this submission.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large initial "J" and "L".

John W. Labuszewski, Director
Research & Product Development

CC: Mr. Thomas M. Leahy Jr., Mr. Steven B. Benton
CFTC Division of Trading and Markets