

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-111 (1 of 2)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/24/2016 Filing Description: Amendments to NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") for the Palladium Futures Contract and NYMEX Rule 589. ("Special Price Fluctuation Limits") for the Henry Hub Natural Gas Futures and Palladium Futures Contracts

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                                     |                                     |            |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/>            | Approval                            | § 40.5(a)  |
| <input type="checkbox"/>            | Notification                        | § 40.6(d)  |
| <input type="checkbox"/>            | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/>            | SIDCO Emergency Rule Change         | § 40.10(h) |

Rule Numbers: 588.H. and 589.

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

Official Product Name:

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                          |   |                      |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification   | § 40.6(a)            |
| <input type="checkbox"/> | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/> | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/> | Approval  | § 40.5(a)            |
| <input type="checkbox"/> | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/> | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change"                 | § 40.4(b)(5)         |
| <input type="checkbox"/> | Notification  | § 40.6(d)            |

Official Name(s) of Product(s) Affected:

Rule Numbers:

March 24, 2016

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to NYMEX Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) for the Palladium Futures Contract and NYMEX Rule 589. (“Special Price Fluctuation Limits”) for the Henry Hub Natural Gas Futures and Palladium Futures Contracts. NYMEX Submission No. 16-111 (1 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to NYMEX Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) for Palladium Futures as well as amendments to NYMEX Rule 589. (“Special Price Fluctuation Limits”) for the Henry Hub Natural Gas Futures and Palladium Futures (collectively, the “Contracts”), effective on Sunday, April 10, 2016 for trade date Monday, April 11, 2016.

First, NYMEX is increasing the CME Globex non-reviewable trading ranges of the Palladium Futures (Rulebook chapter: 106; Code: PA), from \$5.00 to \$10.00. This amendment will more accurately reflect the intent of the rule as it relates to the contracts’ minimum one (1) tick increment. Amendments to this contract are summarized in Appendix A, in blackline format.

Second, NYMEX will decrease the four circuit breaker levels of the Henry Hub Natural Gas futures contract from \$1.50/\$3.00/\$4.50/\$6.00 tick increments to \$1.00/\$2.00/\$3.00/\$4.00 and increase the four circuit breaker levels of the Palladium futures contract from \$50.00/\$100.00/\$150.00/\$200.00 tick increments to \$100.00/\$200.00/\$300.00/\$400.00 tick increments. These amendments are intended to better align the CME Globex non-reviewable ranges of these contracts with prevailing volatility conditions in the Energy and Metals markets. Amendments to these futures contracts are shown in the Special Price Fluctuation Limits Table of NYMEX Rule 589. in blackline format, as Appendix B.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the rule amendments to NYMEX Rules 588.H. and 589. may have some bearing on the following Core Principles:

- **Compliance with the Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the contract markets for the Henry Hub Natural Gas Futures and Palladium Futures Contracts, including the terms and conditions of the contracts’ newly revised rules for Globex non-reviewable trading ranges and special price fluctuation limits.
- **Prevention of Market Disruption:** Increasing the levels of the CME Globex non-reviewable trading ranges and special price fluctuation limits for the Palladium Futures Contract, and decreasing the special price fluctuation limits for the Henry Hub Natural Gas Futures Contract will not impede the

Exchange's capacity and responsibility to prevent manipulation, price distortion, and disruptions to these contracts through currently established market surveillance, compliance, and enforcement practices and procedures.

- Availability of General Information: The Exchange will amend the NYMEX rulebook accordingly on the effective date, which is publically available on the CME Group website, to reflect the changes that will be made to the rules pertaining to the Globex non-reviewable trading ranges and special price fluctuation limits for Henry Hub Natural Gas Futures Contract and the Palladium Futures Contract. In addition, the Exchange will publish a Special Executive Report ("SER") for each asset class represented by these contracts to inform the marketplace of these amendments. These SERs will also be posted on the CME Group website.
- Execution of Transactions: Increasing the levels of the CME Globex non-reviewable trading ranges and special price fluctuation limits for the Palladium Futures Contract and decreasing the special price fluctuation limits for the Henry Hub Natural Gas Futures Contract will have no impact on the central limit order book for these contracts. These changes will not impede the Exchange's ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions that protects the price discovery and final cash settlement or physically deliverable processes of these contracts.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), NYMEX hereby certifies that the amendments to NYMEX Rules 588.H. and 589. comply with the Act, including all regulations under the Act. There were no substantive opposing views to this proposal.

NYMEX certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amendments to NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") (blackline format)  
Appendix B: Amendments to NYMEX Rule 589. ("Special Price Fluctuation Limits") (blackline format)

## Appendix A

### NYMEX Chapter 5 Trading Qualifications and Practices

#### Rule 588.H. (“Globex Non-Reviewable Trading Ranges”)

(Additions are underscored; deletions are ~~struck through~~)

Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
Palladium	PA	<del>\$5.00</del> <u>\$10.00</u> per troy ounce	<del>500</del> <u>1000</u>	<del>500</del> <u>1000</u>

## Appendix B

### NYMEX Chapter 5 Trading Qualifications and Practices

#### Rule 589. (“Special Price Fluctuation Limits”)

(Additions are underscored; deletions are ~~struckthrough~~.)

Product	RULEBOOK CHAPTER	COMMODITY CODE	PRIMARY/ASSOC	ASSOC WITH	Base in Real Economic Value	Level 1	Level 2	Level 3	Level 4	Level 5
Henry Hub Natural Gas Futures	220	NG	Primary	Primary	<del>\$1.50</del> <u>\$1.00</u>	<del>1500</del> <u>1000</u>	<del>3000</del> <u>2000</u>	<del>4500</del> <u>3000</u>	<del>6000</del> <u>4000</u>	No Limit
Palladium Futures	106	PA	Primary	Primary	<del>\$50</del> <u>\$100</u>	<del>5000</del> <u>10000</u>	<del>10000</del> <u>20000</u>	<del>15000</del> <u>30000</u>	<del>20000</del> <u>40000</u>	No Limit