

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-306

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): 07/09/18 **Filing Description:** Increase in Minimum Price Fluctuation of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures Contract and Related Amendments to NYMEX Rule 588.H. ("Non-Reviewable Trading Ranges") Table

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: See filing.

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

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

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

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

Rule Numbers:

July 9, 2018

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Increase in Minimum Price Fluctuation of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures Contract and Related Amendments to NYMEX Ruled 588.H. (“Non-Reviewable Trading Ranges”) Table.
NYMEX Submission No. 18-306**

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 Rule 601102.C. (“Price Increments”) of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures contract (Rulebook Chapter 601; Commodity Code: BUS) (the “Contract”) effective on Sunday, July 29, 2018 for trade date Monday, July 30, 2018.

Specifically, the Exchange is increasing the minimum price fluctuation of the Contract from \$0.01 per gross ton on the CME Globex electronic trading platform and for trades submitted for clearing via CME ClearPort as noted in the table below. The daily settlement price of the Contract will reflect the \$1.00 price increment. Since the final settlement price of the Contract is an average as published by American Metal Market (“AMM”), the Exchange will continue to final settle the Contract at \$0.01 per gross ton. The Exchange is also implementing corresponding amendment to NYMEX Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table. In addition, the Exchange is implementing administrative, non-substantive amendments to Rule 601102.D. to harmonize the Contract’s rule regarding position limits (collectively, the “Rule Amendments”).

Contract Title	Rulebook Chapter	Commodity Code	Minimum Price Fluctuation for Trading and Daily Settlement	
			Current	Effective as of Trade Date July 30, 2018
U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures	601	BUS	\$0.01	\$1.00

Market participants have advised the Exchange that the Rule Amendments will more accurately reflect current market practices and provide the marketplace with more relevant minimum price fluctuations. In addition, the Rule Amendments will promote top of book and overall liquidity in the Contracts while

tightening the bid/ask spread. The increase aligns the minimum price fluctuation with that of the Exchange's U.S. Midwest Domestic Hot-Rolled Steel (CRU) Index Futures contract.

The American Metal Market's US Midwest No. 1 busheling index represents a monthly negotiation that ends with tons being delivered at the negotiated price. Bids and offers are constantly being made during the buy week and are thus fleeting. As a result, American Metal Market only records the final transaction price (concluded deals) because that sets the market for the month. The index is set on the 10th of each month (or following business day) because at that point the vast majority of the market will have finished trading, so negotiations are concluded.

(http://www.amm.com/pdf/Sales/AMM%20Midwest%20Scrap%20Index%20Methodology_090712_p1.pdf)

When the final settlement price is determined on the 10th of each month, that price is published daily until the next month's final settlement price is determined and published. There is no value impact on the Contract in amending the trading and daily settlement minimum price fluctuation because the Contract has been pricing on the \$1.00 increment. These amendments merely align the minimum price fluctuation more appropriately with market activity.

The Exchange reviewed the intra-day trades on CME Globex of the Contract from March 2018 through June 2018 and identified that no trades were executed at increments that were less than \$1.00.

The Rule Amendments are provided below in blackline format in Exhibits A and B attached.

The Exchange reviewed the designated contracts market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "ACT") and identified that the Rule Amendments may have some bearing on the following core principles:

- **Availability of General Information:** The Exchange will publish information regarding the Rule Amendments via a Special Executive Report ("SER") to notify the marketplace. The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information:** The Exchange shall continue to make public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the Rule Amendments.

The Exchange certifies that this submission has been concurrently posted on the CME Group 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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: NYMEX Rulebook Chapter 601 (blackline format)
Exhibit B: NYMEX Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table
(blackline format)

Exhibit A

NYMEX RULEBOOK

(additions underscored; deletions ~~everstruck~~)

Chapter 601

U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures

601102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

601102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

601102.B. Trading Unit

The contract quantity shall be 20 gross tons ("GT"). Each contract shall be valued as the contract quantity multiplied by the settlement price.

601102.C. Price Increments

Prices shall be quoted in dollars and cents per gross ton. The minimum price increment shall be ~~\$0.04~~ \$1.00 per gross ton.

601102.D. Position Limits and Position Accountability

~~In accordance with Rule 559, no person shall own or control positions in excess of 17,000 contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

- ~~1. the all months accountability level shall be 68,000 contracts net long or net short in all months combined;~~
- ~~2. the any one month accountability level shall be 68,000 contracts net long or net short in any single contract month excluding the spot month.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

601102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

601102.E. Termination of Trading

Trading shall terminate on the 10th calendar day of the contract month. If 10th calendar day falls into a holiday or weekend, the price will settle on the immediately following business day. Business days are based on the U.S. Public Holiday calendar.

Exhibit B

NYMEX RULEBOOK

(additions underscored; deletions ~~overstruck~~)

Chapter 5 ("Trading Qualifications and Practices")

NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table

Outright					Spreads	
Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures	BUS	\$50.00 per gross ton	5000	<u>50</u> 5000		Each leg evaluated as an outright