

October 30, 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 Trading-at-Settlement (“TAS”) Eligibility for the Palladium Futures Contract. NYMEX Submission No. 18-408

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 the Trading-at-Settlement (“TAS”) Table (the “Table”) located in Chapter 5 (“Trading Qualifications and Practices”) to provide TAS eligibility for the Palladium Futures contract (the “Contract”) for trading on the CME Globex electronic platform and for submission for clearing via CME ClearPort (the “Rule Amendments”) pursuant to NYMEX Rule 526. (“Block Trades”) and NYMEX Rule 524. (“Trading at Settlement (“TAS”) and Trading at Marker (“TAM”) Transactions”) effective on Sunday, November 18, 2018 for trade date Monday, November 19, 2018 as noted below.

Contract Title	Rulebook Chapter	CME Globex/ CME ClearPort Code	TAS Code	TAS Eligibility as of Trade Date November 19, 2018
Palladium Futures	106	PA	PAT	Trading at Settlement is eligible in the first active contract month - March, June, September, December.

Based on recent requests of market participants, the Exchange conducted an analysis of liquidity of the Contract on a month-by-month basis and determined that the implementation of TAS in the first active contract month is appropriate at this time.

The amended Table is provided as Exhibit A in blackline format.

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 on the changes via a Special Executive Report (“SER”) to notify the marketplace of the Rule Amendments. The SER will also be posted on the CME Group website.
- **Contracts Not Readily Subject to Manipulation**: A review of the Contract’s activity indicates there is sufficient liquidity on CME Globex to support pricing at TAS. The Contract is not subject to manipulation.
- **Compliance with Rules**: The SER being issued provides information on the Contract’s eligible to be entered on CME Globex and priced at the settlement price or any valid price increment ten (10) ticks higher or lower than the settlement price pursuant to Rule 524. The SER and the Table are intended to provide regulatory guidance to ensure that market participants are in compliance with Rule 524.

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

Attachment: Exhibit A – Amendment to the Trading-at-Settlement Table Located in NYMEX Chapter 5 (“Trading Qualifications and Practices”)

Gold, E-micro Gold, and Silver Futures: TAS is available in the first, second, and third active contract months until the nearest active contract month becomes the spot month, at which time the next non-TAS-eligible active contract month becomes TAS-eligible.

Platinum Futures: TAS is available in the nearest active contract month until it becomes the spot month, at which time the next active contract month becomes TAS-eligible as described above.

Palladium Futures: TAS is available in the nearest active contract month until it becomes the spot month, at which time the next active contract month becomes TAS-eligible as described above.

Copper Futures: TAS is available in the first, second, and third active contract months until the nearest active contract month becomes the spot month, at which time the next non-TAS-eligible active contract month becomes TAS-eligible. The spot month is eligible to trade solely at the settlement price, known as TAS flat.

TAS Block Trades in Gold, E-micro Gold, Silver, Platinum, Palladium and Copper Futures

The minimum block threshold for TAS trades in the active month for **Gold, E-micro Gold, and Silver** futures is 25 contracts.

The minimum block threshold for TAS trades in the active month for **Platinum and Palladium** futures is 10 contracts.

The minimum block threshold for TAS trades in the non-spot active month and the second active month for **Copper** futures is 25 contracts.

The minimum block threshold for TAS trades in the spot month for **Copper** futures is 5 contracts.

TAS block trades are not permitted in any inactive Copper futures contract months at any time.