November 29, 2018 Nasdaq Futures, Inc.

FMC Tower, Level 8,

Christopher J. Kirkpatrick 2929 Walnut Street

Office of the Secretariat Philadelphia, PA 19104 / USA

Commodity Futures Trading Commission

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1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Product and Rule Certification for New NFX**

**Hot-Rolled Coil Futures**

**Reference File: SR-NFX-2018-64**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) hereby submits rules relating to block trade minimum quantity thresholds and execution fees for an NFX Hot-Rolled Coil futures contract (“Hot-Rolled Coil Contract”). The Exchange anticipates listing the Hot-Rolled Coil Contract beginning December 13, 2018, for trade date December 14, 2018. The amendments proposed in this submission shall be effective on the listing date.

The name of the contract is the NFX U.S. Midwest Domestic Hot-Rolled Coil Steel Index Financial Futures (HRCQ) contract. The rule amendments proposed herein are attached to this letter in Exhibit A which amends Rulebook Appendix A, Listed Contracts.[[1]](#footnote-1)

**Exhibit 1 - Amendments to Rulebook Appendix A, Listed Contracts**

Block Trade Minimum Quantity Threshold and Reporting Times. Chapter IV, Section 11 of the Exchange’s rulebook provides for execution of block trades and requires the Exchange to designate the contracts in which block trades shall be permitted and to determine the minimum quantity thresholds for such transactions. Section 11(F) requires Futures Participants to ensure that block trades are reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract.[[2]](#footnote-2) The Hot Rolled Coil contract is eligible for block trades. The block trade minimum quantity threshold is set at 25 contracts and the Reporting Window is set at 15 minutes. The Spot month position limit for the Hot Rolled Coil contract is set forth on Exhibit B and is consistent with those for comparable contracts listed by the Chicago Mercantile Exchange.[[3]](#footnote-3)

**Screen Fees and Block Trade/EFRP Surcharges**

The Screen Fee is a charge for Exchange execution fees. The Options Clearing Corporation (“OCC”) will separately assess a clearing fee for all transactions submitted for clearing.[[4]](#footnote-4) The Exchange will assess Screen Fees and Block Trade EFRP Fees for each contract as set forth in Exhibit A.

**DCM Core Principles**

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act in connection with the amendments presented herein. Consistent with Core Principle 7 - Availability of General Information, the Exchange will post general information, including the NFX Rulebook as amended herein, on its website: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

With respect to the block trade amendments set forth in Exhibit A and Core Principle 9 - Execution of Transactions, the Hot-Rolled Coil contract will be listed for trading on the Exchange’s electronic trading system as well as by submission as block trades and Exchange for Related Position transactions pursuant to Exchange rules. The Exchange’s trading system provides a transparent, open and efficient mechanism to electronically execute trades in the Hot-Rolled Coil contract. Additionally, the new rules governing the trading hours and non-reviewable range of the Hot-Rolled Coil contract are the same as those governing existing energy futures contracts listed by the Exchange.

**Certifications**

There were no opposing views among NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the rule amendments set forth herein comply with the Act and the Commission’s regulations thereunder. The Exchange also certifies that notice of pending certification and a copy of this submission have been concurrently posted on the Exchange’s website at [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures).

If you require any additional information regarding the submission, please contact Aravind Menon at (301) 978-8416 or aravind.menon@nasdaq.com. Please refer to SR-NFX-2018-64 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

1. The Exchange is separately filing the Hot Rolled Coil terms and conditions in a separate filing pursuant to Commission Rule 40.2. Certain additional language that will be separately certifying the new contract is not duplicated in Exhibit A hereto but is instead, for purposes of brevity, represented by asterisks. [↑](#footnote-ref-1)
2. See Rules Chapter IV, Section 11(F) provides: “Futures Participants must ensure that each Block Trade is reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract; except that Block Trades executed outside of Trading Hours must be reported within fifteen minutes of the commencement of the next Open Session of a Trading Session for that Contract. If the Block Trade includes certain legs subject to a 5 minute Reporting Window and other legs subject to a 15 minute Reporting Window, the reporting requirement for the transaction will be 15 minutes. The report must include the Contract, contract month, price, quantity of the transaction, the respective Clearing Futures Participants, the time of execution, and, for Options on Futures, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market. Failure to timely and accurately report Block Trades may subject the Futures Participant to disciplinary action.” [↑](#footnote-ref-2)
3. See Rule X.08, Block Trade Minimum Quantity Threshold and Reporting Window for each of the new NYISO Futures attached as Exhibit A. [↑](#footnote-ref-3)
4. OCC options exercise fees and any other OCC fees remain the responsibility of Clearing Futures Participants. [↑](#footnote-ref-4)