SUBMISSION COVER SHEET

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

Registered Entity Identifier Code (optional): 16-004

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): January 21, 2016 Filing Description: Initial Listing of the New Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures Contract

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:

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

Official Product Name: Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures

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:

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

January 21, 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 40.2(a) Notification. Initial Listing of the Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures Contract.
NYMEX Submission No. 16-004**

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 the initial listing of the Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures contract (the "Contract") for trading on CME Globex and for submission for clearing through CME ClearPort, effective on Sunday, February 7, 2016 for trade date Monday, February 8, 2016.

The Contract specifications are as follows:

Contract Title	Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures
Commodity Code	MAC
Rulebook Chapter	1175
Trading and Clearing Venues	CME Globex and CME ClearPort
Settlement method	Financial
Contract Size	833 barrels (100 metric tons)
Listing Schedule	Monthly contracts shall be listed for 36 consecutive months
Minimum Price Fluctuation	$0.001 per barrel
Value per tick	$0.833
First Listed Contract	March 2016
Block Trade Minimum Threshold	5
Termination of Trading	Last business day of the contract month
CME Globex Match Algorithm	FIFO - F

Trading and Clearing Hours:

CME Globex and CME ClearPort	Sunday - Friday 6:00 p.m. - 5:00 p.m. (5:00 p.m. - 4:00 p.m. Chicago Time/CT) with a 60-minute break each day beginning at 5:00 p.m. (4:00 p.m. CT)

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Fees:

Exchange Fees	Pit*	CME Globex	CME ClearPort	Agency Cross
Member Overnight Rate	0.80	0.80	0.80	0.80
Cross Division Rate	0.90	0.90		
Non-Member Rate	1.00	1.00	1.00	1.00
International Incentive Program (IIP) and International Volume Incentive Program (IVIP)		0.90		
Other Processing Surcharges	**Member**	**Non-Member**		
Cash Settlement	0.10	0.10		
Facilitation Fee	0.40			
Give-up Surcharge	0.05			
Position Transfer/Position Adjustment	0.10			

*Effective on July 2, 2015, NYMEX futures pits were closed for open outcry trading. Brokers may submit Block Trades, EFPs, and EFRs through Front-End Clearing System (FEC); these traders will be assessed Pit Exchange Fees in addition to any surcharges.

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the new futures contract into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook in relation to the listing of the new contract. These terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level, and aggregation allocation for the new contract. Please see Appendix B, attached under separate cover. NYMEX is self-certifying block trading on the Contract with a minimum block threshold of five (5) contracts. This block level aligns with the Exchange's other similar futures contracts of the same contract unit size.

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

Compliance with Rules: Trading in the Contract will be subject to all CME Rules, including prohibitions against fraudulent, noncompetitive, unfair and abusive practices as outlined in CME Rulebook Chapter 4, the Exchange's trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the CME Rulebook, and the dispute resolution and arbitration procedures of CME Rulebook Chapter 6. As with all products listed for trading on one of CME Group's designated contract markets, trading activity in the Contract will be subject to monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Contracts Not Readily Subject to Manipulation: The Contract is not readily subject to manipulation as a result of the deep liquidity and robustness of the underlying cash and futures market and the settlement index. Pursuant to the Exchange's obligations under this core principle, the final settlement index is published by Argus Media and sub-licensed to CME.

Prevention of Market Disruption: Trading in the Contract will be subject to the Rules of CME, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the futures contract proposed herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.

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Position Limitations or Accountability: The Exchange has a detailed calculation methodology for the position limits in the Contract.

Availability of General Information: The Exchange will publish on its website information in regard to contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information for the Contract.

Daily Publication of Trading Information: The Exchange will publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contract.

Execution of Transactions: The Contract will be listed for trading on the CME Globex electronic trading platform and for clearing through the CME ClearPort platform. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity. The CME ClearPort platform provides a competitive, open and efficient mechanism for novating transactions that are competitively executed by brokers.

Trade Information: All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

Financial Integrity of Contracts: The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the Commodity Futures Trading Commission and subject to all CFTC regulations related thereto.

Protection of Market Participants: CME Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues.

Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in the product are identified.

Dispute Resolution: Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

The Exchange hereby certifies that the listing of the Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures contract complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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

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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: Appendix A: NYMEX Rulebook Chapter
Appendix B: Position Limit, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
Appendix C: NYMEX Rule 588.H. ("Global Non-Reviewable Trading Ranges")
Appendix D: Cash Market Overview and Analysis of Deliverable Supply

Appendix A

NYMEX Rulebook

Chapter 1175

Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures

1175100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

1175101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of the high and low quotations from the Argus Media Eurobob Oxy Barges NWE assessment minus the ICE Brent Crude Oil Futures first nearby contract settlement price for each business day during the contract month.

For the purpose of determining the Floating Price, the Argus Media Eurobob price assessment will be converted each day to U.S. dollars and cents per barrel rounded to the nearest cent using the conversion factor of 8.33 barrels per metric ton. The settlement price of the first nearby Brent Crude Oil Futures contract month will be used except on the last day of trading for the expiring Brent Crude Oil Futures contract when the settlement price of the second nearby contract month will be used.

The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

1175102. TRADING SPECIFICATIONS

Contracts shall be listed for a series of contract months. The number of months open for trading at any given time shall be determined by the Exchange.

1175102.A. Trading Schedule

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

1175102.B. Trading Unit

The contract quantity shall be 833 barrels (100 metric tons). Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

1175102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be $0.001 per barrel. There shall be no maximum price fluctuation.

1175102.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.

1175102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

1175103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

1175104. DISCLAIMER

Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Argus price assessments in connection with the trading of the contract. NEITHER NYMEX AND ITS AFFILIATES NOR ARGUS GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX AND ITS AFFILIATES AND ARGUS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ASSESSMENT, TRADING BASED ON THE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX AND ITS AFFILIATES AND ARGUS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX AND ITS AFFILIATES OR ARGUS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Appendix B

Position Limit, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook

(attached under separate cover)

Appendix C

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

Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures	MAC	$1.00 per barrel	1000	1000

Appendix D

Cash Market Overview and Analysis of Deliverable Supply

Introduction

The Exchange reviewed the underlying cash market for Gasoline in Northwest Europe. Based on this review, the Exchange has determined to base its analysis of the deliverable supply on production and imports of Motor Gasoline (blended with bio components). In its analysis of deliverable supply, the Exchange did not include stocks data as the data tends to fluctuate. Additionally, the Exchange determined not to adjust the deliverable supply estimates based on the spot availability because spot market liquidity is not restrictive and tends to vary depending on the market fundamentals of supply and demand. The typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply.

Data Sources

The Exchange based its analysis of deliverable supply of Gasoline in Northwest Europe on data provided by Eurostat.

The **Eurostat**[1] data is compiled by the statistical office of the European Union ("EU") and aims to provide the EU with accurate statistics that enable comparisons between countries and regions. The statistical authorities in each individual member state are responsible for collecting the data. After verification and analysis, the individual authorities send the data to Eurostat who consolidate such data. In addition, Eurostat ensures that all parties are employing the same methodology in collecting and reporting data. The Exchange determined to use Eurostat data for Gasoline in Northwest Europe because of the highly specialized statistical categories collected by Eurostat.

The final settlement price for the **Mini Argus Gasoline Eurobob Oxy NWE Crack Spread (100mt) Futures** is based on the assessment of the respective underlying physical market as assessed and published by **Argus**, which is one of the price reporting agencies that are used in the over-the-counter market for pricing contracts. The Argus price assessment for the NWE barges Eurobob oxy gasoline is in U.S. dollars and cents per metric ton. The pricing period is for loading 2-8 days forward. Size is standardized to 1,000-2,000mt. The basis is fob Rotterdam/Amsterdam/Antwerp. Prices typically reflect a volume-weighted average of deals done within Argus criteria and published on the Argus Gasoline Bulletin Board. According to Argus methodology and specifications guide, the specifications for NWE barges Euro-bob oxy gasoline reflect grades of gasoline that meet EN228 specifications with a maximum of 10 ppm sulfur after they have been blended with 4.8pc ethanol of minimum 98.7pc purity. Oxygen content is limited to 0.9pc.The assessment time is 9.00 a.m. to 5.30 p.m. London time.

The second leg of the spread is based on the Brent crude oil futures first nearby contract settlement as made public by **ICE Futures Europe** which is regulated by the U.K Financial Conduct Authority (FCA). The guidance issued by the FCA is broadly similar to that of the CFTC and therefore we believe that this should be sufficient to satisfy the requirements set out by the CFTC in terms of the Futures contract and the underlying cash markets. According to ICE, the average trading activity in ICE Brent Crude Oil Futures is about 500,000 contracts per day.

CME Group (parent company of New York Mercantile Exchange, Inc.) is a party to license agreements with Argus to utilize their pricing data.

[1] http://ec.europa.eu/eurostat

Northwest European Gasoline

Starting at the end of 2009, premium unleaded gasoline was phased out across several countries in Northwest Europe (defined as 50% of France, the Netherlands, Belgium and Germany) and replaced by Euro-bob Gasoline which is a blended component grade of Gasoline rather than a finished grade.

As Eurobob is a blended component grade of Gasoline, there are a large number of blenders in the Northwest European region with the largest concentration being around Rotterdam. Gasoline is blended at dedicated centres into various different grades of Gasoline suitable for the local market. Gasoline is a seasonal product where demand will be dependent mainly on summer driving season. There is also a winter grade gasoline that is mostly traded during the months of October to March. Other factors such as refinery maintenance and weather-related disruptions can have an impact on the supply/demand fundamentals.

The market in Northwest Europe is the largest of the European Gasoline markets and also where the largest refineries in the region are located. Gasoline production from the refineries in France, the Netherlands, Belgium and Germany is about 860,000 barrels per day. For France, we have reduced the volume by 50% from the total number to reflect the fact that their product flows into both the Mediterranean and the Northwest European markets.

Monthly production data and import data for the Northwest European region are presented in the following tables. The data is provided by Eurostat and is classified as “total motor gasoline (blended with bio components)” which is code 3234A in the Eurostat database.

Total Gasoline production in Northwest Europe, which is referenced as “Transformation Output from Refineries” in the Eurostat database is **3.035** million metric tons per month over the most recent 36 month (3 year) period from September 2012 to August 2015. Over the same period, Gasoline imports were **1.060** million metric tons per month. We have also reviewed the level of exports from the region which are estimated to be around **2.466** million metric tons per month over the same 3 year period but have not included this figure as the basis for deliverable supply. Apparent consumption, measured as Production plus Imports minus Exports and minus stock changes was 1.54 million tons per month over the same period.

The data tables from Eurostat for Transformation Output and Imports for gasoline are shown in **Appendix A** as these components have been used as the basis of deliverable supply.

Brent Crude Oil (BFOE)

The North Sea market is comprised of the oil fields in the UK and Norwegian North oil sectors. There is a series of smaller oil fields which connect into larger streams. The most important streams in the North Sea are Brent, Forties, Oseberg and Ekofisk and each stream has a principle operator that is responsible for the day to the day control of the operations including the scheduling of the cargoes based on the production from each of the smaller producing fields. The Brent, Forties, Oseberg and Ekofisk fields are known as BFOE and they underpin the Brent complex and are the key grades of oil that make up the trading of Dated Brent – the international crude oil physical benchmark price. The four BFOE fields lie in the North Sea. Brent and Forties are in the UK sector, whilst Ekofisk and Oseberg are in the Norwegian sector.

The Brent market consists of many layers and one such layer is the cash or forward market (the “forward market”). This is the underlying of the Brent Futures market with all futures positions cash settled against a published index value of forward transactions on the expiry of each contract month. The forward market consists of the trading of cargoes of any of the Brent, Forties, Oseberg and Ekofisk streams for delivery for month ahead, with no specific dates assigned for loading. The cargoes are 600,000 barrels and, in the forward market, the precise loading dates are not provided, only the delivery month i.e. December BFOE Cargo. However the commercial contracts, which are standardized, underlying the forward market to specify the minimum timing the seller must provide the buyer to notify them as to the specific cargo loading date – currently month ahead advance. After the seller of a BFOE forward cargo notifies the buyer as to the loading date and which stream is being loaded, the contract is now considered to have moved from the forward market to the Dated Brent market, historically this moment is referred to as the cargo going “wet” i.e., it has loading dates attached to it and can therefore be sold as a Dated Brent cargo, which is termed physical barrels.

The Brent cash market is essentially a reseller market where buyers either: resell the oil to someone else; transport the cargo and resell it later; or transport the cargo to consume it. Most of the sales in the Brent market are conducted as spot-market transactions; in fact, Brent cargoes in the physical market are estimated to trade 10 or more times. Typically, there is a chronology of sales and purchases of crude oil in the Brent cash market that starts with a sale from the equity producer in a spot market transaction, and finishes with a purchase by an end-user to consume the crude oil. Equity producers typically utilize the robust spot market to sell their BFOE production at the cargo loading terminal, as a “Free on Board” (FOB) delivery. Traders play an active role in the Brent market as middlemen with the expressed responsibility of reselling the oil. Further, the refiners typically rely on the spot market to purchase Brent crude oil, because there is vibrant liquidity in the spot market, and hence, the refiners have developed a preference for short-term spot market purchases, rather than long-term contracts. This applies to refiners affiliated with equity producers as well as those not affiliated; this is the standard practice, established and institutionalized over the past 34 years.

Production of BFOE has declined over the past few years due to the cost of drilling and the returns on investment compared to other regions in the world. These four North Sea grades are segregated blends delivered at different locations in the North Sea, and each can be substituted by the seller in the month ahead forward market. Quality adjustments ensure that all four grades can be delivered to a buyer under the standardized forward contract. It is worth noting that Platts extended the nomination period of the forward market from 25-days to month ahead. Both ICE Futures Europe and NYMEX adjusted the expiry calendar of the Futures to align with the forward market with effect from the March 2016 contract month (as an earlier transition would have had a significant impact on the open interest holders).

The process of moving from a forward to the physical market where a forward Brent cargo becomes a physical North Sea Dated Brent cargo happens as follows:

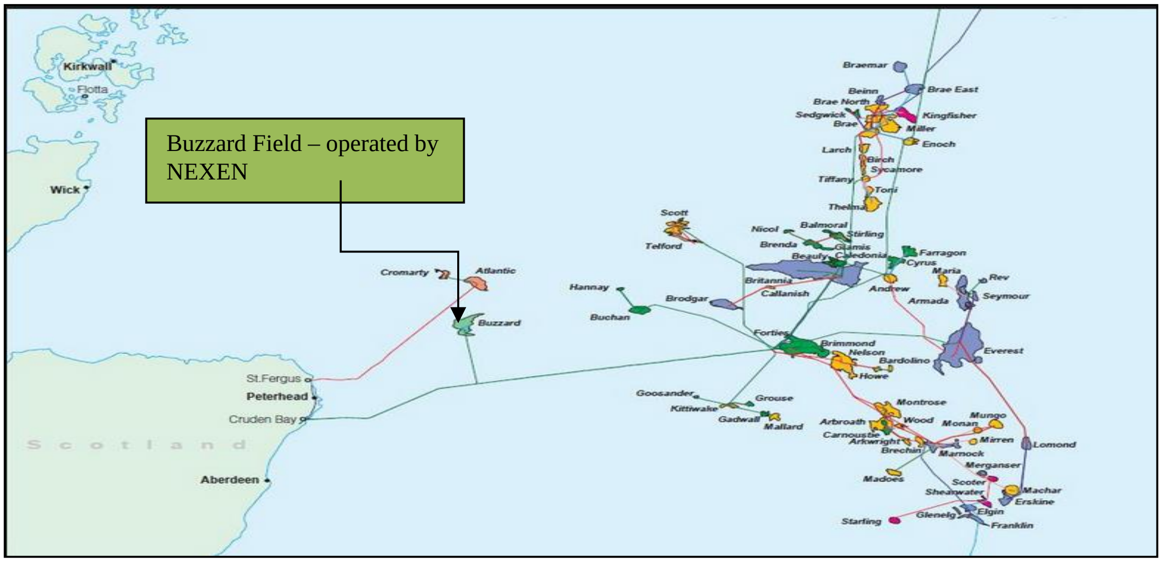
1. Refiners, producers and traders enter into a forward agreement for a particular month.

2. The Operator of each field being Shell for Brent; BP for Forties; ConocoPhillips for Oseberg and Statoil for Ekofisk will announce the loading programs at least one month prior before cargoes loading in a specified month turn wet (i.e., cargoes in the delivery month start to load and have loading dates attached). The equity producers will begin the chain of nominating cargoes to buyers (or they can decide the keep the cargo). A buyer benefiting from a nomination can keep the cargo or pass it to another player with whom it has another forward contract. Buyers trade the cash BFOE on the basis that they will accept any cargo as nominated provided that it is done so within the agreed notice period (on a month-ahead basis) by 4pm London time. Any cargo not nominated by this time will remain with the participant last notified. After 4pm London time, the cargo becomes wet physical with precise loading dates attached.

3. Cargoes that are wet or physical will be sold as a Dated Brent cargo with cargo loading dates attached reflecting cargoes that are loading between 10 days and month ahead.

Chart 1 shows the makeup of the fields in the Forties pipeline system (FPS) which is operated by BP. There are over 50 offshore fields that flow through within the FPS. The delivery point for Forties crude oil is Hound Point, which is on the East coast of Scotland a short distance from the UK oil capital Aberdeen. Forties is a blended crude oil from all of the fields that feed into it.

Chart 1: Example of the Forties Pipeline system



The blend changed at the beginning of 2007 when crude oil from the Buzzard field began to flow into it. Crucially Buzzard is now the largest field within the FPS. Buzzard crude oil is a medium gravity, sour crude oil with an API of 32.6 and a sulphur content of 1.44% therefore the yield is very similar to that of Urals crude oil (from Russia). The FPS produces a forward forecast of the anticipated percentage of Buzzard crude in Forties Blend. The overall quality of Forties crude oil varies depending on the percentage of Buzzard as a proportion of the overall blend.

Table 1: Percentage of Crude from Buzzard Field Estimates[2] (updated on 5th October 2015)

Month	Buzzard % in Forties blend	Forties Blend production (kbd)
October 2015	32.5%	533.7
November 2015	31.3%	526
December 2015	32.6%	561.4
January 2016	31.3%	554.6

The start up of the Buzzard field feeding into the Forties pipeline system (refer to chart 1) has resulted in Forties being almost always the cheapest of the four grades to deliver as a dated Brent cargo due to the higher sulphur content of Buzzard compared to Forties and the fact that Buzzard comprises of between 35% and 40% of the total volume of the Forties blend.

Bloomberg LP ("Bloomberg") provides details of the BFOE loading programs for the four grades that comprise the Brent market. Based on the most recent 3-year average of the Bloomberg data on BFOE loadings (from December 2012 to November 2015), the total loadings of Brent (BFOE) crude oil was approximately 875,387 barrels per day, which is equivalent to approximately 26.26 million barrels per month (see table 2). The Bloomberg data, as shown in table 2 shows the volume of crude oil for Brent, Forties, Oseberg and Ekofisk (collectively known as BFOE), Whilst the volumes appear to have stabilized through the end of 2015, there are questions about the future output of these grades in the future due to the low oil price and high cost environment for operators in the North Sea.

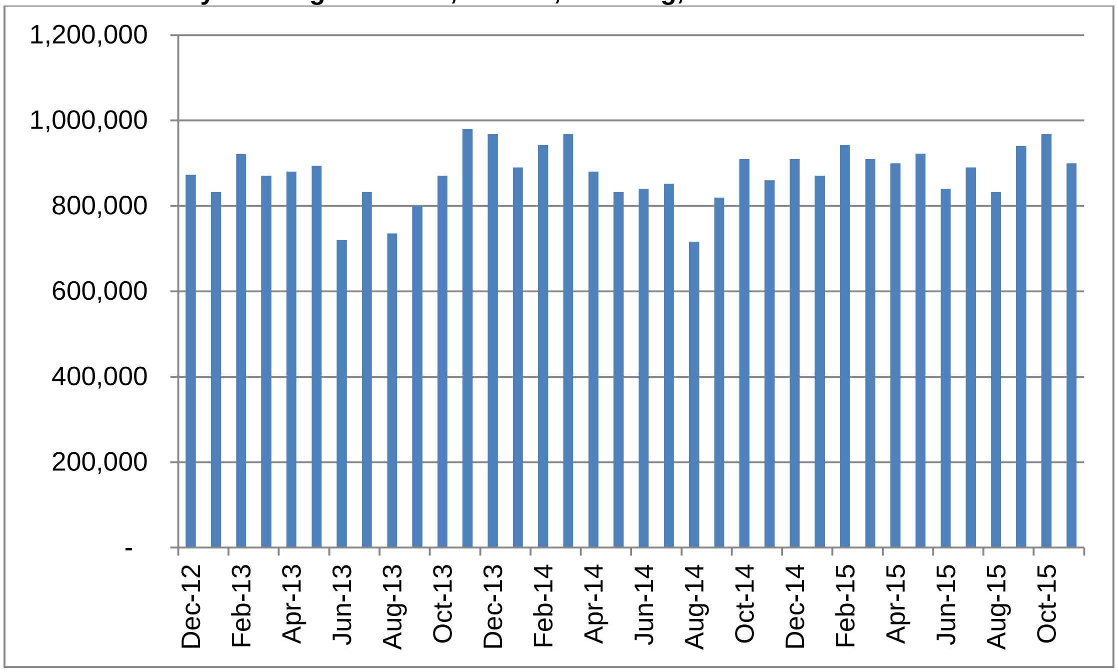
[2] Forties Pipeline System – Forties Blend Assay http://www.bp.com/en/global/forties-pipeline/about_fps/forties_blend_quality.html

Table 2: BFOE Loaded Volumes (as assessed by Bloomberg)
(Barrels per Day)

Year	Month	BFOE Production	3 year average
2012	Dec-12	872,581	
2013	Jan-13	832,258	
	Feb-13	921,429	
	Mar-13	870,968	
	Apr-13	880,000	
	May-13	893,548	
	Jun-13	720,000	
	Jul-13	832,258	
	Aug-13	735,484	
	Sep-13	800,000	
	Oct-13	870,968	
	Nov-13	980,000	
	Dec-13	967,742	
2014	Jan-14	890,323	
	Feb-14	942,857	
	Mar-14	967,742	
	Apr-14	880,000	
	May-14	832,258	
	Jun-14	840,000	
	Jul-14	851,613	
	Aug-14	716,129	
	Sep-14	820,000	
	Oct-14	909,677	
	Nov-14	860,000	

	Dec-14	909,677	
2015	Jan-15	870,968	
	Feb-15	942,857	
	Mar-15	909,677	
	Apr-15	900,000	
	May-15	922,581	
	Jun-15	840,000	
	Jul-15	890,323	
	Aug-15	832,258	
	Sep-15	940,000	
	Oct-15	967,742	
	Nov-15	900,000	875,387

Chart 2: Monthly Loadings of Brent, Forties, Oseberg, Ekofisk



The Brent market is priced in USD and cents per barrel. There are existing and long-established futures contracts with significant liquidity that are based on trading activity in the forward BFOE market. The cash market is traded in partials of 100,000 barrels or larger full size cargo transactions of 600,000 barrels. Physical convergence can occur through the partials market mechanism upon the trading of six parcels with the same counterparty in a single delivery month. If physical convergence does not occur then trades are booked out at the prevailing cash value on the last day of trading day of the cash market for the specific delivery month (i.e., this is month ahead prior to the first loading date of the delivery month). Full sized physical cargo BFOE trades will be used by ICE in the establishment of the Brent Index which is the mechanism by which the futures open on expiry are cash settled[3].

The Dated Brent or Dated BFOE, as it is sometimes referred, reflects the value of the cheapest of Brent, Forties, Oseberg and Ekofisk, of 600,000 barrels, loading month ahead. Dated Brent is estimated to price around 50% of the global crude oil supply[4]. Within the North Sea and beyond, grades are traded as a differential to Dated Brent or as a differential to cash Brent (BFOE). Each of the crude oil grades within BFOE are not the same quality, several adjustments have been made. In 2007 Platts included a sulphur de-escalator for Forties crude oil within its Dated Brent and Brent related instruments. The change was made in response to inclusion of sour crude Buzzard into the Forties pipeline system (see chart 1). The de-escalator of price is applied to deliveries above a minimum sulphur level of 0.6%. Every month, Platts establishes a USD and cents value de-escalator for every 0.1% of sulphur above the maximum level 0.6% (for Forties crude oil). The value of de-escalator is established by reviewing evidence of significant and sustained changes in the crude market, as affected by refined products (crack spread values of both heavy fuel oils and light ends) and other relevant factors that affect the economics of Forties crude.

[3] https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Brent_Index.pdf

[4] http://www.oxfordenergy.org/wpcms/wp-content/uploads/2012/03/Brent-Prices-Impact-of-PRA-methodology-on-price-formation.pdf

Analysis of Deliverable Supply

In Appendix C to Part 38 of the Commission's regulations, the Commission defines deliverable supply as the quantity of the commodity meeting a derivative contract's delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce.

The Exchange determined that the sum of refinery output of motor gasoline and imports of motor gasoline into Northwest Europe best meets the definition of the supply readily available for delivery. We have excluded the level of exports and consumption for the purposes of determining the level of deliverable supply since both represent the usage of the product within a market and are therefore on the demand side.

The Exchange is not including stocks data in its analysis of deliverable supply. Stocks data tend to vary and, at least upon launch of products, we do not certify recommended position limits based on stock data. The basis of deliverable supply for Motor Gasoline is based on the combined Production (transformation output from refineries) and Import statistics as determined by Eurostat for the period 2012 (Sept) to 2015 (August).

Further, the Exchange has determined not to adjust the deliverable supply estimate based on spot availability because spot market liquidity is not restrictive and tends to vary depending on the market fundamentals of demand and supply. The typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply. Also, the spot trading is not restricted in that it could increase if the market demand increases. Therefore, we believe that it is not necessary to adjust the deliverable supply estimate on the basis of spot trading activity as it does not restrict the deliverable supply, and spot trading volume can expand to allow for more supply to flow if needed in the spot market.
For France, as defined within Northwest Europe, we have reduced the supply data by 50% to take into account that about half of the production and import volumes are categorized as Northwest Europe with the remainder being classified as Mediterranean supply.

The deliverable supply of motor gasoline in Northwest Europe (Belgium, France (50%), Germany and the Netherlands) is approximately **4.095 million metric tons per month** or **49.14 million metric tons per year**. The Exchange determined that the volume of loaded barrels of BFOE crude oil from Brent, Forties, Oseberg and Ekofisk best meets the definition of supply readily available for delivery. In addition, the Exchange has reduced the deliverable supply of Forties to account for the crude oil purchases by the Grangemouth refinery. The Grangemouth oil refinery is located close to the delivery point of the Forties pipeline and volumes from the outer fields are connected directly via a series of pipelines to the refinery[5]. Based on the most recent 3-year average of the Bloomberg data on BFOE loadings (December 2012 to November 2015), total loadings of Brent (BFOE) crude oil was approximately 875,387 barrels per day, which is equivalent to approximately 26.26 million barrels per month, or 26,260 contract equivalents (contract size: 1,000 barrels). Further, to account for the crude oil purchases by the Grangemouth refinery, the deliverable supply (using the three-year average BFOE figures) would be reduced by 3. million barrels[6] per month. For the Grangemouth refinery it is located at the end of the Forties Pipeline system and trading sources tell us that about half of the total capacity of the refinery is refining Forties crude oil. Therefore based on this we have assumed that 50% of the refining capacity is Forties crude oil (due to its proximity to the Forties Pipeline System) with the remaining supply being imported using other

[5] http://www.bp.com/en/global/forties-pipeline/about_fps/Technical/technical_information.html - BP Forties Pipeline system

[6] UKPia – Petroineos Grangemouth Refinery capacity http://www.ukpia.com/industry_information/refining-and-uk-refineries/Petroineos-grangemouth-refinery.aspx

grades in the North Sea or outside it. According to the official figures, the refining capacity of Grangemouth is 200,000 b/d or 6-million barrels per month. Therefore, the total deliverable supply of BFOE is approximately **23.26 million barrels per month** which is equivalent to 23,260 contracts.

Positions in the **Mini Argus Gasoline Eurobob Oxy Barges NWE Crack Spread (100mt) Futures** contract will aggregate into two legs: the Argus Gasoline Euro-bob Oxy Barge Futures (commodity code 7H) and the Brent Crude Oil Penultimate Financial Futures contract (commodity code BB). The spot month position limit of the Argus Gasoline Euro-bob Oxy Barge Futures (commodity code 7H) is 500 contracts and the spot month position limit of the Brent Crude Oil Penultimate Financial Futures contract is 4,000 contracts. Based on the Gasoline deliverable supply volume of 4.095 million metric tons per month or 4,095 contract equivalents the spot month limit of 500 contracts represents 12.21% of the monthly deliverable supply. In the case of the Brent, the deliverable supply of BFOE, the underlying market, is 23.260 million barrels per month or 23,260 contract equivalents so the spot month limit of 4,000 contracts represents 17.19% of the monthly deliverable supply.

Appendix A

Gasoline – Transformation Output from Refineries (PRODUCTION)

Unit: Thousand Tons

Source: Eurostat[7]

Year		Belgium	Germany	France	Netherlands	Total	3 Year Average
2012	Sep-12	252	1765	466	587	3,070	
	Oct-12	249	1870	489.5	555	3,164	
	Nov-12	227	1736	479	345	2,787	
	Dec-12	245	1742	485	596	3,068	
2013	Jan-13	386	1836	485	535	3,242	
	Feb-13	398	1651	433.5	594	3,077	
	Mar-13	335	1675	448.5	744	3,203	
	Apr-13	355	1525	430	643	2,953	
	May-13	352	1646	458	651	3,107	
	Jun-13	331	1726	487.5	545	3,090	
	Jul-13	370	1810	517	502	3,199	
	Aug-13	306	1698	484	601	3,089	
	Sep-13	378	1629	435.5	416	2,859	
	Oct-13	325	1781	418.5	414	2,939	
	Nov-13	286	1729	426	324	2,765	
	Dec-13	271	1741	391	381	2,784	
2014	Jan-14	292	1783	466.5	445	2,987	
	Feb-14	355	1604	439	426	2,824	
	Mar-14	390	1578	447.5	585	3,001	
	Apr-14	389	1656	436.5	489	2,971	

[7] http://ec.europa.eu/eurostat

	May-14	378	1721	479.5	529	3,108	
	Jun-14	358	1502	420	473	2,753	
	Jul-14	400	1593	498	543	3,034	
	Aug-14	387	1741	540	488	3,156	
	Sep-14	387	1636	494	532	3,049	
	Oct-14	418	1764	503.5	598	3,284	
	Nov-14	386	1704	492	604	3,186	
	Dec-14	415	1810	514.5	675	3,415	
2015	Jan-15	449	1760	476.5	534	3,220	
	Feb-15	368	1567	441.5	539	2,916	
	Mar-15	373	1431	489	515	2,808	
	Apr-15	447	1434	484	506	2,871	
	May-15	432	1810	461.5	423	3,127	
	Jun-15	455	1775	397.5	439	3,067	
	Jul-15	430	1588	476.5	464	2,959	
	Aug-15	438	1723	510	456	3,127	3,035

Gasoline IMPORTS into Northwest Europe

Unit: Thousand Tons

Source: Eurostat[8]

Year		Belgium	Germany	France	Netherlands	Total	3 Year Average
2012	Sep-12	68	114	22	987	1,191	
	Oct-12	55	108	5	1,028	1,196	
	Nov-12	40	98	11	824	973	
	Dec-12	92	66	12	1,124	1,294	
2013	Jan-13	58	92	10	957	1,117	
	Feb-13	47	78	13	897	1,035	
	Mar-13	52	122	8	951	1,133	
	Apr-13	49	146	11	788	994	
	May-13	64	211	14	756	1,045	
	Jun-13	40	183	13	772	1,008	
	Jul-13	53	162	10	828	1,053	
	Aug-13	51	221	19	775	1,066	
	Sep-13	45	191	17	753	1,006	
	Oct-13	39	174	18	623	854	
	Nov-13	43	140	15	713	911	
	Dec-13	91	104	19	922	1,136	
2014	Jan-14	79	109	19	964	1,171	
	Feb-14	56	128	15	802	1,001	
	Mar-14	61	91	9	926	1,087	
	Apr-14	65	144	25	738	972	
	May-14	50	219	25	645	939	
	Jun-14	89	249	27	856	1,221	

[8] http://ec.europa.eu/eurostat

	Jul-14	33	206	31	657	927	
	Aug-14	67	151	15	630	863	
	Sep-14	98	144	13	788	1,043	
	Oct-14	85	121	23	1,012	1,241	
	Nov-14	78	120	14	691	903	
	Dec-14	74	94	14	834	1,016	
2015	Jan-15	69	100	26	844	1,039	
	Feb-15	80	94	23	748	945	
	Mar-15	85	114	16	908	1,123	
	Apr-15	81	218	25	870	1,194	
	May-15	58	191	31	896	1,176	
	Jun-15	86	163	30	757	1,036	
	Jul-15	64	270	28	780	1,142	
	Aug-15	91	248	16	760	1,115	1,060