

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-163

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): 03/19/20 Filing Description: Notice of Emergency Action – Amendments to NYMEX Rule 589. ("Special Price Fluctuation Limits") for the Light Sweet Crude Oil Futures and Brent Crude Oil Last Day Financial Futures and all Related Associated Contracts.

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input 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:

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 checked="" 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: See filing.

Rule Numbers: See filing.



March 19, 2020

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)(6) Emergency Rule Certification.
Notification of Emergency Action – Amendments to NYMEX Rule 589. (“Special Price
Fluctuation Limits”) for Light Sweet Crude Oil and Brent Crude Oil Last Day
Financial Futures and All Related Associated Contracts.
NYMEX Submission No. 20-163**

Dear Mr. Kirkpatrick:

Pursuant to New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) Rule 579.A. (“Global Command Center – GCC Authority”), the Exchange is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that the CME Group Global Command Center (“GCC”) took emergency action on Thursday, March 19, 2020, effective immediately. The emergency action was taken in light of recent Light Sweet Crude Oil and Brent Crude Oil Last Day Financial Futures price movements and is intended to ensure fair and orderly trading in all these products which are subject to NYMEX Rule 589. (“Special Price Fluctuation Limits”). The emergency action shall apply until further notice to the Light Sweet Crude Oil and Brent Crude Oil Last Day Financial Futures and all associated products as noted in Exhibit B (collectively, the “Contracts”).

Specifically, GCC increased the dynamic price fluctuation limits of Light Sweet Crude Oil and Brent Crude Oil Last Day Financial Futures and all Associated Products from 7% to 15%.

**NYMEX Rulebook
Chapter 5
 (“Trading Qualifications and Practices”)
Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table
(additions underscored; deletions ~~struck through~~)**

Contact Title	Rulebook Chapter	Commodity Code	Dynamic Circuit Breaker
Light Sweet Crude Oil Futures	200	CL	7% <u>15%</u>
Brent Crude Oil Last Day Financial Futures	698	BZ	7% <u>15%</u>

NYMEX Rule 589. applies initial price fluctuation limits above or below the previous day’s settlement price for each futures contract month, and is termed the “first special price fluctuation limit level.” There are three (3) additional levels that may be triggered based on parameters set forth in NYMEX Rule 589.B. (“Triggering Events and Temporary Trading Halts”). For your convenience, a copy of NYMEX Rule 589. appears in Exhibit A. The applicable levels are set forth in the Special Price Fluctuation Limits and Daily Price Limits

Table (“Table”) in the Interpretations Section at the end of Chapter 5 (“Trading Qualifications and Practices”) of the NYMEX Rulebook. The Table appears in Exhibit B in blackline format.

The marketplace was notified of the emergency action via the issuance of a Notice of Emergency Action (“Notice”) and CME Group Special Executive Report S-8566 (“S-8566”). A copy of the Notice appears in Exhibit C.

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

Emergency Authority: The action by the GCC constitutes an emergency action taken in accordance with the provisions of NYMEX Rule 579, and requires prompt notice to be provided to the CFTC under both Commission Regulations and NYMEX Rule 579.

Availability of General Information: The emergency action will be communicated to the marketplace via the issuance of a Notice of Emergency Action (“Notice”) and S-8566. The Notice and S-8566 will be distributed via email to subscribers of these publications in addition to being posted publicly on the CME Group website.

The Exchange certifies that the emergency action to modify the special price fluctuation limit levels applicable to the Contracts complies with the Act and regulations thereunder. 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>.

If you have any questions regarding this submission, please contact me at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – NYMEX Rule 589.
Exhibit B – Special Price Fluctuation Limits and Daily Price Limits Table
(under separate cover)
Exhibit C – Notice of Emergency Action

Exhibit A

NYMEX Rulebook

Chapter 5

("Trading Qualifications and Practices")

* * *

589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits, including dynamic price fluctuation limits, applicable to those contracts with such limits are set forth in the Special Price Fluctuation Limits and Daily Price Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

589.A. Initial Price Fluctuation Limits for All Contract Months

At the commencement of each trading day, there shall be initial price fluctuation limits in effect for each futures contract month of the primary futures contract (as identified in the Table) above or below the previous day's settlement price for such contract month set at the first special price fluctuation limit level as provided in the Table.

589.B. Triggering Events and Temporary Trading Halts

1. First Triggering Event and Temporary Trading Halt

If the lead contract month (as identified by the Exchange) of the primary futures contract is bid or offered via Globex at the upper or lower price fluctuation limit at the first special price fluctuation limit level, as applicable, it will be considered a triggering event that will begin a two (2) minute monitoring period in the lead contract month. If, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is not bid or offered at the applicable special price fluctuation limit, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. If, however, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is bid or offered at the applicable special price fluctuation limit, a two (2) minute temporary trading halt will commence in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. In addition, trading in any associated product that is an option related to the primary futures contract or in an option contract related to any other associated product of the primary futures contract that may be available for trading on Globex shall be subject to a coordinated temporary trading halt.

2. Expansion of Limits Following Temporary Trading Halt

Following the end of a temporary trading halt, the affected markets shall re-open simultaneously in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract. When trading resumes, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table.

In each instance in which a triggering event occurs, a two (2) minute monitoring period will commence as provided in Section B.1. of this Rule. In each instance, the special price fluctuation limits shall be expanded by an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. Following the fourth triggering event on a trading day, there shall be no further special price fluctuation limits.

3. Metals Contracts

For certain Metals contracts, as designated in the Table, the GCC shall designate a lead primary contract month for purposes of this Rule. Additionally, an expiring contract month of a primary futures contract shall have no special price fluctuation limits from the contract's first position day through its last delivery day.

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minutes preceding the end of the primary futures contract's settlement price determination period. If a triggering event occurs during this five (5) minute period, trading will continue with the current

price limit in effect until the conclusion of the five (5) minute period, at which time a monitoring period, temporary trading halt or special price fluctuation limit expansion, as applicable, will occur.

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minute period preceding the close of trading. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the close of trading.

589.C Dynamic Price Fluctuation Limits

At the commencement of each trading day, the subject contracts, as designated in the Table, shall be assigned a price limit variant which shall equal a percentage of the prior trading day's Exchange-determined settlement price, or a price deemed appropriate by the GCC, ("dynamic variant"). During the trading day, the dynamic variant shall be applied in rolling 60-minute look-back periods to establish dynamic lower and upper price fluctuation limits as follows:

- (a) the dynamic variant shall be subtracted from the highest trade and/or bid price during a look-back period to establish the lower price fluctuation limit, i.e., trade and/or offer, and
- (b) the dynamic variant shall be added to the lowest trade and/or offer price during a look-back period to establish the upper price fluctuation limit, i.e., trade and/or bid.

1. Triggering Events and Temporary Trading Halts

If the lead contract month (as identified by the Exchange) of the primary futures contract is traded, bid or offered via Globex through the lower or upper dynamic price fluctuation limits, it shall be considered a triggering event which shall begin a two (2) minute temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract or associated futures contract is traded, bid or offered via Globex through the lower or upper dynamic price fluctuation limits, it shall be considered a triggering event which shall begin a two (2) minute temporary trading halt for that non-lead contract month of the primary contract or associated futures contract.

2. Limits Following Temporary Trading Halt

Following the end of a temporary trading halt triggered by the lead month, the affected markets shall re-open simultaneously at the indicative opening price as determined by the Exchange in all contract months of the primary futures contract and in all contract months of the associated contracts of the primary futures contract as provided in the Table. When trading resumes, the dynamic lower and upper price fluctuation limits of shall be recalculated as described above. Likewise following the end of a temporary trading halt triggered by a non-lead month or associated futures contract, the affected market shall re-open at the indicative opening price as determined by the Exchange and the dynamic lower and upper price fluctuation shall be recalculated as described above.

3. Additional Characteristics

On each trading day, should there be a triggering event in the lead contract month of the primary futures contract during such contract's settlement determination period, there shall be a (5) five second temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract, or any contract month of an associated product of the primary futures contract, experiences a triggering event during the primary futures contracts settlement determination period, there shall be a (5) five second temporary trading halt for that non-lead contract month or that contract month of an associated product of the primary contract.

On each trading day, should there be a triggering event in the lead contract month of the primary futures contract during the (2) two-minute period preceding the close of trading, there shall be a (5) five second temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract, or any contract month of an associated product of the primary futures contract, experiences a triggering event during the (2) two-minute period preceding the close of trading of the primary futures contract, there shall be a (5) five second temporary trading halt for that non-lead contract month or that contract month of an associated product of the primary contract.

The special price fluctuation limits, including dynamic price fluctuation limits, applicable to those contracts with such limits are set forth in the Special Price Fluctuation Limits and Daily Price Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

589.A. Initial Price Fluctuation Limits for All Contract Months

At the commencement of each trading day, there shall be initial price fluctuation limits in effect for each futures contract month of the primary futures contract (as identified in the Table) above or below the previous day's settlement price for such contract month set at the first special price fluctuation limit level as provided in the Table.

589.B. Triggering Events and Temporary Trading Halts

1. First Triggering Event and Temporary Trading Halt

If the lead contract month (as identified by the Exchange) of the primary futures contract is bid or offered via Globex at the upper or lower price fluctuation limit at the first special price fluctuation limit level, as applicable, it will be considered a triggering event that will begin a two (2) minute monitoring period in the lead contract month. If, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is not bid or offered at the applicable special price fluctuation limit, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. If, however, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is bid or offered at the applicable special price fluctuation limit, a two (2) minute temporary trading halt will commence in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. In addition, trading in any associated product that is an option related to the primary futures contract or in an option contract related to any other associated product of the primary futures contract that may be available for trading on Globex shall be subject to a coordinated temporary trading halt.

2. Expansion of Limits Following Temporary Trading Halt

Following the end of a temporary trading halt, the affected markets shall re-open simultaneously in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract. When trading resumes, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table.

In each instance in which a triggering event occurs, a two (2) minute monitoring period will commence as provided in Section B.1. of this Rule. In each instance, the special price fluctuation limits shall be expanded by an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. Following the fourth triggering event on a trading day, there shall be no further special price fluctuation limits.

3. Metals Contracts

For certain Metals contracts, as designated in the Table, the GCC shall designate a lead primary contract month for purposes of this Rule. Additionally, an expiring contract month of a primary futures contract shall have no special price fluctuation limits from the contract's first position day through its last delivery day.

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minutes preceding the end of the primary futures contract's settlement price determination period. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the conclusion of the five (5) minute period, at which time a monitoring period, temporary trading halt or special price fluctuation limit expansion, as applicable, will occur.

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minute period preceding the close of trading. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the close of trading.

589.C Dynamic Price Fluctuation Limits

At the commencement of each trading day, the subject contracts, as designated in the Table, shall be assigned a price limit variant which shall equal a percentage of the prior trading day's Exchange-determined settlement price, or a price deemed appropriate by the GCC, ("dynamic variant"). During the trading day, the dynamic variant shall be applied in rolling 60-minute look-back periods to establish dynamic lower and upper price fluctuation limits as follows:

- (c) the dynamic variant shall be subtracted from the highest trade and/or bid price during a look-back period to establish the lower price fluctuation limit, i.e., trade and/or offer, and
- (d) the dynamic variant shall be added to the lowest trade and/or offer price during a look-back period to establish the upper price fluctuation limit, i.e., trade and/or bid.

1. Triggering Events and Temporary Trading Halts

If the lead contract month (as identified by the Exchange) of the primary futures contract is traded, bid or offered via Globex through the lower or upper dynamic price fluctuation limits, it shall be considered a triggering event which shall begin a two (2) minute temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract or associated futures contract is traded, bid or offered via Globex through the lower or upper dynamic price fluctuation limits, it shall be considered a triggering event which shall begin a two (2) minute temporary trading halt for that non-lead contract month of the primary contract or associated futures contract.

2. Limits Following Temporary Trading Halt

Following the end of a temporary trading halt triggered by the lead month, the affected markets shall re-open simultaneously at the indicative opening price as determined by the Exchange in all contract months of the primary futures contract and in all contract months of the associated contracts of the primary futures contract as provided in the Table. When trading resumes, the dynamic lower and upper price fluctuation limits of shall be recalculated as described above. Likewise following the end of a temporary trading halt triggered by a non-lead month or associated futures contract, the affected market shall re-open at the indicative opening price as determined by the Exchange and the dynamic lower and upper price fluctuation shall be recalculated as described above.

3. Additional Characteristics

On each trading day, should there be a triggering event in the lead contract month of the primary futures contract during such contract's settlement determination period, there shall be a (5) five second temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract, or any contract month of an associated product of the primary futures contract, experiences a triggering event during the primary futures contracts settlement determination period, there shall be a (5) five second temporary trading halt for that non-lead contract month or that contract month of an associated product of the primary contract.

On each trading day, should there be a triggering event in the lead contract month of the primary futures contract during the (2) two-minute period preceding the close of trading, there shall be a (5) five second temporary trading halt in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. If a non-lead contract month of the primary futures contract, or any contract month of an associated product of the primary futures contract, experiences a triggering event during the (2) two-minute period preceding the close of trading of the primary futures contract, there shall be a (5) five second temporary trading halt for that non-lead contract month or that contract month of an associated product of the primary contract.

EXHIBIT B

**NYMEX Rulebook
Chapter 5**

(“Trading Qualifications and Practices”)

Rule 589. (“Special Price Fluctuation Limits and Daily Price Limits”) Table

(additions underlined; deletions ~~struck through~~)

(under separate cover)

Exhibit C

NEW YORK MERCANTILE EXCHANGE NOTICE OF EMERGENCY ACTION

FILE NO.: NYMEX 20-0007

SUBJECT: Amendments to Special Price Fluctuation Limits Applicable to Light Sweet Crude Oil and Brent Crude Oil Last Day Financial and All Related Associated Contracts

APPLICABLE NYMEX RULE: 579. GLOBAL COMMAND CENTER (in part)

A. GCC Authority

The GCC has the authority to take any action deemed appropriate to preserve market integrity in CME Group markets. Such actions include, but are not limited to, the halting of trading, modifying risk-mitigating parameters including price bands, velocity logic and special price fluctuation limits as described in Rule 589, restricting customer access to Globex or any other actions deemed to be in the best interest of the Exchange. In the event any action taken pursuant to this Rule is in response to an emergency as defined in CFTC Regulation 40.1(h), the CFTC shall be notified of the emergency action in accordance with CFTC Regulations.

589. SPECIAL PRICE FLUCTUATION LIMITS (link below)

<https://www.cmegroup.com/content/dam/cmegroup/rulebook/NYMEX/1/5.pdf>

EMERGENCY ACTION: On Thursday, March 19, 2020, the Global Command Center (“GCC”) took emergency action by modifying the special price fluctuation limits applicable to the Light Sweet Crude Oil and Brent Crude Oil Last Day Financial Futures contracts as listed below, and all related Associated Contracts (the “Contracts”) effective immediately and until further notice. This action is based on recent Light Sweet Crude Oil and Brent Crude Oil Last Day Financial Futures movements in the Contracts and is intended to ensure fair and orderly trading in the Contracts.

Contact Title	Rulebook Chapter	Commodity Code	Dynamic Circuit Breaker
Light Sweet Crude Oil Futures	200	CL	7% 15%
Brent Crude Oil Last Day Financial Futures	698	BZ	7% 15%

In the good faith exercise of its sole discretion, the GCC determined that an emergency exists, and that emergency action is warranted.

EFFECTIVE DATE: March 19, 2020