

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-128

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): 4/12/2018 **Filing Description:** Increase in Minimum Price Fluctuation of the Palladium Futures and Palladium Option Contracts

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

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: See filing.

Rule Numbers: See filing.



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

April 12, 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 Palladium Futures and Palladium Option Contracts. NYMEX Submission No. 18-128

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 106102.C. (“Price Increments”) of the Palladium Futures contract (Rulebook Chapter 106; Commodity Code: PA) and Rule 119101.C. (“Price Increments”) of the Palladium Option contract (Rulebook Chapter 119; Commodity Code: PAO) (the “Contracts”) (collectively, the “Rule Amendments”) effective on Sunday, May 6, 2018 for trade date Monday, May 7, 2018 as noted in the table below.

Specifically, the Exchange is increasing the minimum price fluctuation of the Palladium Futures contract from \$0.05 to \$0.10 per troy ounce and the Palladium Option contract from \$0.01 to \$0.10 per troy ounce on the CME Globex electronic trading platform and for trades submitted for clearing via CME ClearPort. Daily and final settlement prices of these Contracts will also reflect the amended minimum price fluctuation limits.

Contract Title	Rulebook Chapter	Commodity Code	Minimum Price Fluctuation	
			Current	Effective as of Trade Date May 7, 2018
Palladium Futures	106	PA	\$0.05	\$0.10
Palladium Option	119	PAO	\$0.01	\$0.10

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 Rule Amendments align the minimum price fluctuation with that other NYMEX and Commodity Exchange, Inc. precious metals futures and options contracts.

Exhibit A provides Rule 106102.C. and 119101.C.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 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 this amendment. 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 Contracts.

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 these proposals.

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 Rule 106102.C. and 119101.C. (blackline format)
Exhibit B: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

Exhibit A

NYMEX RULEBOOK

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

Chapter 106

Palladium Futures

106102.C. Price Increments

The minimum price fluctuation shall be five-ten cents (~~\$0.0510~~) per troy ounce. Prices shall be quoted in dollars and cents per troy ounce.

Chapter 119

Palladium Option

119101.C. Price Increments

Prices shall be quoted in dollars and cents per troy ounce. The minimum price increment will be ~~\$0.01~~ \$0.10 per troy ounce of Palladium.

Exhibit B

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

(additions underlined, deletions ~~overstruck~~)

Outright					Spreads	
Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
Palladium Futures	PA	\$10.00 per troy ounce	1000	200 <u>100</u>	Each leg evaluated as an outright	