

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-144

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): 04/14/2016 Filing Description: Amendments to Contract Specifications Affecting Four (4) NYMEX Indonesian Sub-Bituminous Coal Futures and Option Contracts

SPECIFY FILING TYPE

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.

April 14, 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, DC 20581

RE: CFTC Regulation 40.6(a) Certification. Amendments to Contract Specifications Affecting Four (4) NYMEX Indonesian Sub-Bituminous Coal Futures and Option Contracts. NYMEX Submission No. 16-144

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 four (4) futures and option contracts related to the IHS McCloskey Indonesian Sub-Bituminous FOB Marker as noted in Table 1 below (the “Contracts”), effective on Sunday, May 1, 2016 for trade date Monday, May 2, 2016.

On March 4, 2016, IHS Energy proposed amendments to the specifications of its “IHS McCloskey Indonesian Sub-Bituminous FOB marker”, to reflect a lower and narrower range of calorific values of steam coal for inclusion into the index. On March 31, 2016, IHS Energy confirmed these changes would be effective on May 2, 2016.

The Exchange references the above index in four (4) futures and options contracts, as set out in Table 1. The change in the reference level of calorific value in the index, from 4,900 kcal/kg to 4,700 kcal/kg, will result in a one-time change to the price level of the index. As a consequence, NYMEX intends to implement conforming amendments to the Contracts listed in Table 1.

Table 1.

Commodity Code (Clearing / CME Globex)	Contract Title	NYMEX Rulebook Chapter
MCC	Indonesian Coal (McCloskey sub-bituminous) Futures	294
ICA	Indonesian Coal (McCloskey sub-bituminous) Average Price Options	1124
IC4	Indonesian Coal (McCloskey sub-bituminous) Quarterly Options	1132
ICC	Indonesian Coal (McCloskey sub-bituminous) Calendar Options	1133

Currently, only the Indonesian Coal (McCloskey sub-bituminous) Futures contract (Commodity Code: MMC) has open interest in commencing with the May 2016 contract month and beyond. Effective Sunday, May 1, 2016 for trade date Monday, May 2, 2016, the Exchange will adjust the settlement valuations of its IHS Energy-related sub-bituminous coal futures contract for all expiration months commencing with the May 2016 contract month and beyond to coincide with the underlying changes in the physical market price assessments, pursuant to the criterion outlined in Appendix A.

In an effort to build a consensus around the action resulting from IHS Energy's changes to the underlying physical market, the Exchange conducted an outreach to its market participants. During this consultation process with its stakeholders, including customers and industry associations, no substantive opposing views were expressed to the Exchange regarding the proposal.

The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has identified that this action has bearing on the following Core Principles:

- Prevention of Market Disruption: The Exchange is implementing the amendments to the Contracts to maintain orderly trading.
- Availability of General Information: The Exchange will release a Special Executive Report ("SER") to provide notice to the marketplace of the amendments to the Contracts. In addition to disseminating the SER via email to market participants, the SER will be posted on the CME Group website.

Pursuant to Section 5c(c) of the CEA and CFTC Regulation 40.6(a), the Exchange hereby certifies that the aforementioned amendments to the Contracts comply with the Act, including regulations under the Act. As previously noted, 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>.

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: Appendix A: Contract Valuation and Clearing House Cash Adjustment Process

Appendix A

Contract Valuation and Clearing House Cash Adjustment Process

New York Mercantile Exchange, Inc. (“NYMEX” or Exchange”) has been advised that IHS Energy has confirmed changes to the specifications of its Indonesian sub-bituminous Coal assessment. Accordingly, commencing with the May 2016 contract month and beyond, the new underlying assessment will be reflected in the Indonesian Coal (McCloskey sub-bituminous) Futures contract. Table 1 provides a list of NYMEX contracts. Currently, only the Indonesian Coal (McCloskey sub-bituminous) Futures contract has open interest in commencing with the May 2016 contract month and beyond.

IHS Energy has analyzed the historical quality premiums between the 4,900 kc NAR and 4,700 kc NAR calorific values of the Indonesian sub-bituminous coal for the past 3 years from January 2013 to March 2016. Based on the price differentials from January 2016 to March 2016, and through discussions with clients, IHS Energy has recommended a one-time differential of \$1.04/metric ton that may be used in amending all outstanding derivatives positions commencing with the May 2016 contract month and beyond, that will settle against the new specification for Indonesian sub-bituminous Coal.

The Exchange also conducted its own client outreach and independent analysis of the data, and concluded that the IHS Energy-recommended \$1.04/metric ton differential, between the two different specifications for Indonesian Sub-bituminous Coal, represents an accurate value of the specification differences. Therefore, NYMEX will amend the reference price and valuation of all the related futures and option contracts in Table 1 commencing with the May 2016 contract month and beyond.

The Exchange will determine the impact on contract valuation effective for trade date Monday, May 2, 2016, based on pricing assessments made at the close of business on Friday, April 29, 2016. On that date, the end-of-the-day settlement prices for the four contracts listed in Table 1 will reflect the new specification for the Indonesian Coal (McCloskey sub-bituminous) Futures. Following settlement, the Exchange will recalculate the prices of the contracts starting with May-2016 and beyond using the \$1.04/metric ton premium to reflect the effect of the specification change.

The CME Clearing House will also calculate the cash adjustments resulting from the contract value change. Accordingly, holders of **short** positions will be required to **make** additional payments to the Clearing House in order to neutralize the economic impact of the contracts’ lower value. Holders of **long** positions will be required to **take** additional payments from the Clearing House in order to neutralize the economic impact of the contracts’ lower value on the corresponding side. These additional payments or the cash adjustment will be processed on Tuesday, May 3, 2016 at approximately 11:00 a.m. ET (10:00 a.m. CT) and intra-day prices on that day will represent the new IHS Energy specification.