

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-153 (1 of 2)

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): 05/18/17 Filing Description: Initial Listing of two (2) European Refined Futures 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 checked="" 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 |

Product Terms and Conditions (product related Rules and Rule Amendments)

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

Rule Numbers:

May 18, 2017

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 40.2(a) Certification. Notification Regarding the Initial Listing of Two (2) European Refined Futures Contracts. NYMEX Submission No. 17-153 (1 of 2)

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 two (2) European refined futures contracts (the “Contracts”) for trading on CME Globex and for submission for clearing via CME ClearPort, effective Sunday, June 4, 2017 for trade date Monday, June 5, 2017, as set forth below.

Contract Title	Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE (Platts) Futures
Commodity Code	EGN
Rulebook Chapter	1236
Settlement Method	Financial
Contract Size	1,000 metric tons
Listing Schedule: CME Globex and CME ClearPort	Monthly contracts listed for 36 consecutive months.
Minimum Price Fluctuation	\$0.01 per metric for contracts traded on CME Globex and \$0.001 per metric ton for contract cleared via CME ClearPort. Daily settlement prices and the final settlement price shall have a minimum price fluctuation of \$0.001 per metric ton.
Value per Tick	\$10.00 for contracts traded on CME Globex and \$1.00 for contracts cleared via CME ClearPort.
First Listed Month	June 2017

Block Trade Minimum Threshold	5 contracts
Termination of Trading	Trading shall cease on the last business day of the contract month.
CME Globex Matching Algorithm	First In First Out (FIFO)

Contract Title	Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE (Platts) BALMO Futures
Commodity Code	EGB
Rulebook Chapter	1237
Settlement Method	Financial
Contract Size	1,000 metric tons
Listing Schedule: CME Globex and CME ClearPort	Monthly contracts listed for 3 consecutive months.
Minimum Price Fluctuation	\$0.01 per metric for contracts traded on CME Globex and \$0.001 per metric ton for contract cleared via CME ClearPort. Daily settlement prices and the final settlement price shall have a minimum price fluctuation of \$0.001 per metric ton.
Value per Tick	\$10.00 for contracts traded on CME Globex and \$1.00 for contracts cleared via CME ClearPort.
First Listed Month	June 2017
Block Trade Minimum Threshold	5 contracts
Termination of Trading	Trading shall cease on the last business day of the contract month.
CME Globex Matching Algorithm	First In First Out (FIFO)

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. Central 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:

	Member	Non-Member	International Incentive Programs (IIP/IVIP)
Exchange Fees			
CME Globex	\$7.00	\$9.00	\$8.00
Block	\$7.00	\$9.00	
EFR/EOO	\$7.00	\$9.00	
Agency Cross	\$7.00	\$9.00	

Processing Fees	Member	Non-Member
Cash Settlement	\$1.00	\$1.00
Other Fees		
Facilitation Fee		\$0.60
Give-Up Surcharge		\$0.05
Position Adjustment/Transfer		\$0.10

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for these contracts 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 these new contracts. The terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level, and aggregation allocation for these new contracts. Please see Appendix B, attached under separate cover.

NYMEX is also notifying the CFTC that it is self-certifying block trading on the Contract with a block trade minimum threshold level of 5 contracts which is aligned with the Exchange’s similar refined futures contracts.

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 Contracts may have some bearing on the following Core Principles:

Compliance with Rules: Trading in the Contracts will be subject to all NYMEX Rules, including prohibitions against fraudulent, noncompetitive, unfair and abusive practices as outlined in NYMEX Rule Chapter 4, the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the NYMEX Rulebook, and the dispute resolution and arbitration procedures of NYMEX Rule Chapter 6. As with all products listed for trading on one of CME Group’s designated contract markets, trading activity in the Contracts 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.

Contract Not Readily Subject to Manipulation: The Contracts are 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 indices are published by Platts and Argus and sub-licensed to the Exchange.

Prevention of Market Disruption: Trading in the Contracts will be subject to the Rules of the Exchange, 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 contracts proposed herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

Position Limitations or Accountability: The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission's guidance.

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

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 Contracts.

Execution of Transactions: These Contracts 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 these Contracts will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

Financial Integrity of Contract: The Contracts will be cleared by the CME Clearing House, a derivatives clearing organization registered with the Commission.

Protection of Market Participants: NYMEX 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 these contracts 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 this product is identified.

Dispute Resolution: Disputes with respect to trading in the Contracts 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.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange hereby certifies that listing the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal by market participants.

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

Appendix A

NYMEX Rulebook

Chapter 1236 Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE (Platts) Futures

1236100. SCOPE

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

1236101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point between the high and low quotations from Argus Media for "Euro-bob oxy barges" under the heading Northwest Europe light products in the European Products Report minus the arithmetic average of the high and low quotations from the Platts European Marketscan for Northwest Europe Naphtha Physical under the heading "Cargoes CIF NWE Basis ARA" price for each business day during the contract month (using non-common pricing).

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.

1236102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

1236102.A. Trading Schedule

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

1236102.B. Trading Unit

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1236102.C. Price Increments

Prices shall be quoted in USD and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton for trades submitted for clearing through CME ClearPort. The minimum price fluctuation shall be \$0.01 per metric ton for trades executed on CME Globex. There shall be no maximum price fluctuation.

1236102.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.

1236102.E. Termination of Trading

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

1236103. FINAL SETTLEMENT

Delivery 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.

1236104. DISCLAIMER

S&P Global Platts, a division of S&P Global Inc. ("Platts"), licenses New York Mercantile Exchange Inc. ("NYMEX") to use various Platts price assessments in connection with the trading or posting of the contracts.

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, ITS AFFILIATES, ARGUS NOR PLATTS GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN.

NEITHER NYMEX, ITS AFFILIATES, ARGUS NOR PLATTS, GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF EITHER ASSESSMENT FROM PLATTS OR ARGUS OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES, ARGUS AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF EITHER ASSESSMENT FROM PLATTS OR ARGUS, TRADING BASED ON THE ASSESSMENTS FROM PLATTS AND ARGUS, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES, ARGUS AND PLATTS 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 ASSESSMENTS FROM PLATTS AND ARGUS, OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES, ARGUS OR PLATTS 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 DAMAGE.

Chapter 1237
Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE
(Platts) BALMO Futures

1237100. SCOPE

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

1237101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the Balance of Month arithmetic average of the mid-point between the high and low quotations from Argus Media for "Euro-bob oxy barges" under the heading Northwest Europe light products in the European Products Report minus the arithmetic average of the high and low quotations from the Platts European Marketscan for Northwest Europe Naphtha Physical under the heading "Cargoes CIF NWE Basis ARA" price for each business day during the contract month (using non-common pricing).

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.

1237102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

1237102.A. Trading Schedule

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

1237102.B. Trading Unit

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1237102.C. Price Increments

Prices shall be quoted in USD and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton for trades submitted through CME ClearPort. The minimum price fluctuation shall be \$0.01 per metric ton for trades executed on CME Globex. There shall be no maximum price fluctuation.

1237102.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.

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

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Appendix B

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

(attached under separate cover)

Appendix C

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

(additions are underscored)

Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
<u>Gasoline Euro-bob</u> <u>Oxy NWE Barges</u> <u>(Argus) vs.</u> <u>European Naphtha</u> <u>CIF NWE (Platts)</u> <u>Futures</u>	<u>EGN</u>	<u>\$2.00 per metric ton</u>	<u>200</u>	<u>200</u>
<u>Gasoline Euro-bob</u> <u>Oxy NWE Barges</u> <u>(Argus) vs.</u> <u>European Naphtha</u> <u>CIF NWE (Platts)</u> <u>BALMO Futures</u>	<u>EGB</u>	<u>\$2.00 per metric ton</u>	<u>200</u>	<u>200</u>

Appendix D

Cash Market Overview

Introduction:

The Exchange intends to introduce a calendar month futures contract and an associated balance of month futures contract. These contracts are financially settled against the value of two underlying assessments for Gasoline Euro-bob NWE barges and European Naphtha CIF NWE cargoes. The Euro-bob Oxy Gasoline is assessed and published by Argus Media ("Argus") and the European Naphtha is assessed and published by S&P Global Platts, a division of S&P Global Inc ("Platts").

Data Sources:

The Exchange has based its analysis of the cash market and deliverable supply of Gasoline and Naphtha in Northwest Europe on data provided by Eurostat.

The Eurostat¹ data is compiled by the statistical office of the European Union 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 final settlement prices for the Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE (Platts) Futures and the Gasoline Euro-bob Oxy NWE Barges (Argus) vs. European Naphtha CIF NWE (Platts) BALMO Futures are based on the Euro-bob Oxy Gasoline and European Naphtha CIF NWE prices assessed and published by Argus Media and S&P Global Platts, a division of S&P Global Inc ("Platts").

Argus was founded in 1970 and is a privately held UK-registered company. It is owned by staff shareholders and global growth equity firm General Atlantic. Argus is a leading provider of data on prices and fundamentals, news, analysis, consultancy services and conferences for the global crude, oil products, LPG, natural gas, electricity, coal, emissions, bioenergy, fertilizer, petrochemical, metals and transportation industries. Data provided by Argus are widely used for indexation of physical trade. Companies, governments and international agencies use Argus information for analysis and planning purposes. Argus' assessment methodology for the Northwest European Euro-bob Gasoline market is available on the Argus website²

Platts is a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets. Since 1909, Platts has provided information and insights that help customers make sound trading and business decisions and enable the markets to perform with greater transparency and efficiency. Platts' assessment methodology for the Northwest European Naphtha market is available on Platts' website³.

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 Euro-bob is a blended component grade of Gasoline, there are a number of blenders in the Northwest European region with the largest concentration being around Rotterdam. Gasoline is blended at dedicated

¹ See <http://ec.europa.eu/eurostat>

² Argus Methodology Guide – European Refined Products
http://www.argusmedia.com/~media/files/pdfs/meth/argus_european_products.pdf?la=en

³ Platts Methodology Guide – European Refined Products
<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/biofuelsglobal.pdf>

centres into 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.

Full year data from Eurostat shows that in 2015, total Gasoline (with bio components) production from Europe's 28-member bloc of countries was 121 million tons or 331,000 metric tons per day. The European market also supports the arrival of imported cargoes. Over the same 2015 period, imports totaled around 27 million tons or about 22% of the total production volumes. Gasoline demand is rising, in part due to the switch away from diesel in the passenger car market. However, the growth of electronic cars may mean that some diesel demand switches directly into this sector rather than to gasoline as was traditionally the case. The Energy available for final consumption in Gasoline was 76.6 million metric tons for the EU 28 countries. Gasoline production in Northwest Europe in 2015 was 53 million tons, roughly 45% of total EU 28 production. We have classified Northwest Europe as Belgium, France, Germany, Netherlands and the United Kingdom.

Rotterdam is the largest port in Europe and has become a key hub for the blending and distribution of gasoline into the internal downstream European market. It is well connected to the Rhine River network where a number of key refining and distribution centres are located. It is used as a price benchmark for Europe but can realistically be seen as a Northwest European assessment when considered alongside the Amsterdam and Antwerp ports (ARA) as material from Northwest Europe can be readily made available for delivery. In this context, Northwest Europe can be considered as comprising Germany, the Netherlands, Belgium, France and the United Kingdom. In line with similar markets, the Exchange proposes to halve data for France in the determination of deliverable supply in Northwest Europe.

Within the EU, production in France, Germany, Netherlands, UK and Belgium represents 45% of EU 28 production so these countries are considered as very important in a Northern European context. According to the Eurostat data, there is a degree of imports that can be considered as deliverable supply in a Northwest European context. Using the monthly average production and import volumes over the past 36 months, the Northwest European Gasoline production was 4.4 million tons and imported volumes were 1.4 million tons. These numbers include a 50% reduction for France to reflect Northwest European loading ports only. The 3 yearly average statistics for Production and Imports are shown in Exhibit A.

There is an active spot market for Euro-bob Gasoline based on the ARA market. Trading occurs in USD and cents with quantities specified in metric tons. On a barrel equivalent basis, 1 metric ton equates to 8.33 US barrels. Term supply contracts do exist. However, 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.

European Naphtha

Naphtha⁴ is a refined product that is classified as one of the light ends. There are two formal uses for Naphtha, firstly into the Petrochemical sector as a feedstock for products such as plastics or resins and secondly as a blendstock into the Gasoline pool. The Naphtha market is a large physical market and volumes are generated by both domestic production and imports from the key producing regions such as the Middle East. The Amsterdam-Rotterdam-Antwerp ("ARA") region is a major European import hub for Naphtha (and Gasoline).

Data from Eurostat shows that in 2015, total Naphtha production in Northwest Europe was 23.7 million metric tons and consumption was 25.3 million tons, meaning that some degree of imports is required to support demand into these countries. At an EU 28 level, Naphtha production was 38.9 million metric tons and consumption was 33.7 million metric tons. Northwest European Production represents 60% of total EU 28 production highlighting the significance of this region to the European market.

Rotterdam is the largest port in Europe and has become an import and export centre. It remains the gateway to the inland Europe market as well as being a supply centre for the ARA region where there is a large degree of refining and storage infrastructure.

⁴ US Energy Information Administration Glossary (Naphtha) - <http://www.eia.gov/tools/glossary/index.cfm?id=N>

There is an active spot market for Naphtha cargoes in Northwest Europe. In this context, Northwest Europe can be considered as comprising Germany, the Netherlands, Belgium, France and the United Kingdom. In line with similar markets, the Exchange proposes to halve data for France in the determination of deliverable supply in Northwest Europe.

Trading occurs in USD and cents and quantities specified in metric tons. On a barrel equivalent basis 1 metric ton equates to 8.9 US barrels. Term supply contracts do exist. However, 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.

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

Analysis of Deliverable Supply

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 commerce⁵.

The Exchange has determined to assess deliverable supply of Euro-bob Gasoline as being the sum of production and imports into the Northwest European region comprising of Belgium, Germany, Netherlands, UK and Northern France. Such material is available for delivery into the Amsterdam, Rotterdam and Antwerp region.

Within these data tables, the sub-total refers to the total volume for Belgium, France, Germany, Netherlands and the UK. The sub-total is where we have reduced the deliverable supply for France by 50% for Northwest Europe. The Total EU is the wider EU28 countries that make up the European Union which currently includes the United Kingdom.

The Eurostat production data we have used is referred to as the Transformation Output from Refineries and the product is categorized as Gasoline blended with bio components, meaning that there is a percentage of biofuels in the blend. The Argus Euro-bob Gasoline assessment is assessed on the basis of an Ethanol content of 4.8%, which is a biofuel based product. The Eurostat imported volumes also reflect Gasoline blended with bio components. Based on the Eurostat data, the sum of production and imports into the Northwest European region, comprising Belgium, Germany, Netherlands, UK and Northern France was 5.8 million tons per month on average based on data from the past 36 months through September 2016. A month by month breakdown for Production and Imports is shown in Exhibit A.

As stated in the Argus methodology guide⁶, they reflect gasoline that meets the EN228 specification with a maximum sulphur content of 10ppm and an Ethanol content of 4.8%. As stated in the Platts methodology guide⁷, the Naphtha specification for Northwest Europe reflects a maximum MTBE content of 50ppm and a total oxygenate content of 1,000ppm. There is a maximum sulphur level of 500ppm in the assessed material.

For Naphtha, the Eurostat production data we have used is referred to as the Transformation Output from Refineries. Similarly, for the import volumes, we have used Eurostat's statistics. The Naphtha data refers to the volumes through September 2016 as this represents the most complete data set. Based on the Eurostat data, the sum of Naphtha production and imports into the Northwest European region, comprising Belgium, Germany, Netherlands, UK and Northern France was 4.3 million tons per month on average based on data from the past 36 months through September 2016. A month by month breakdown for Production and Imports is shown in Exhibit A.

⁵ See Appendix C to 17 CFR part 38

⁶ Argus European Products Methodology Guide

http://www.argusmedia.com/~media/files/pdfs/meth/argus_european_products.pdf?la=en

⁷ Platts European Refined Products Methodology guide

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/Europe-africa-refined-products-methodology.pdf>

Positions in the Gasoline Euro-bob Oxy Barges (Argus) vs. Naphtha CIF NWE (Platts) Futures and the BALMO Futures will be aggregated into the Gasoline Euro-bob Oxy NWE Barges (Argus) Futures (commodity code 7H) which is traded in units of 1,000 metric tons and the European Naphtha Cargoes CIF NWE (Platts) Futures (commodity code UN) which is also traded in units of 1,000 metric tons. The spot month position limit for both the Argus Euro-bob Oxy Barges and the Platts Naphtha Cargoes CIF NWE contract is 500 contracts (each). Based on the deliverable supply of the Gasoline and Naphtha this represents 9% of the monthly deliverable supply for gasoline and 12% of the monthly deliverable supply for Naphtha.

Exhibit A

Gasoline blended with bio-components – Northwest Europe Refinery Production

Unit: Thousand Tons

Source: Eurostat⁸

	Belgium	Germany	France	Netherlands	United Kingdom	Sub-total	Sub-total adjusted*	Total EU-28
Oct-13	325	1,781	837	414	1,372	4,729	4310.5	9,450
Nov-13	286	1,729	852	324	1,371	4,562	4136	9,085
Dec-13	271	1,741	782	381	1,505	4,680	4289	9,728
Jan-14	292	1,783	933	445	1,533	4,986	4519.5	9,890
Feb-14	355	1,604	878	426	1,333	4,596	4157	8,858
Mar-14	390	1,578	895	585	1,428	4,876	4428.5	9,039
Apr-14	389	1,656	873	489	1,367	4,774	4337.5	9,022
May-14	378	1,721	959	529	1,423	5,010	4530.5	9,854
Jun-14	358	1,502	840	473	1,211	4,384	3964	8,956
Jul-14	400	1,593	996	543	1,251	4,783	4285	9,730
Aug-14	387	1,741	1,080	488	1,299	4,995	4455	10,163
Sep-14	387	1,636	988	532	1,176	4,719	4225	9,474
Oct-14	418	1,764	1,007	598	1,122	4,909	4405.5	9,925
Nov-14	386	1,704	984	604	1,125	4,803	4311	9,767
Dec-14	415	1,810	1,029	675	1,441	5,370	4855.5	10,816
Jan-15	452	1,760	953	534	1,459	5,158	4681.5	10,444
Feb-15	369	1,567	883	539	1,191	4,549	4107.5	9,110
Mar-15	368	1,431	978	515	1,426	4,718	4229	9,771
Apr-15	447	1,434	968	506	1,302	4,657	4173	9,366
May-15	432	1,810	923	423	1,298	4,886	4424.5	9,668
Jun-15	455	1,775	795	439	1,160	4,624	4226.5	9,468
Jul-15	435	1,588	953	464	1,511	4,951	4474.5	10,532
Aug-15	438	1,723	1,020	456	1,478	5,115	4605	10,712
Sep-15	401	1,731	947	390	1,472	4,941	4467.5	10,486
Oct-15	339	1,757	1,070	391	1,507	5,064	4529	10,600
Nov-15	325	1,736	1,027	359	1,486	4,933	4419.5	10,132
Dec-15	423	1,816	1,079	422	1,540	5,280	4740.5	10,794
Jan-16	474	1,769	1,089	379	1,545	5,256	4711.5	10,785

⁸ <http://ec.europa.eu/eurostat>

Feb-16	415	1,640	1,003	303	1,242	4,603	4101.5	9,623
Mar-16	401	1,659	1,038	383	1,324	4,805	4286	9,726
Apr-16	352	1,590	1,096	218	1,450	4,706	4158	9,524
May-16	412	1,794	920	250	1,490	4,866	4406	10,316
Jun-16	413	1,905	643	327	1,419	4,707	4385.5	9,652
Jul-16	381	2,020	953	345	1,449	5,148	4671.5	10,707
Aug-16	419	2,000	993	276	1,450	5,138	4641.5	10,534
Sep-16	398	1,934	988	369	1,443	5,132	4638	10,384
Sub Total	389	1,716	951	439	1,378	4,873	4,397	9,891

*Sub-total adjusted reflects Northwest Europe minus 50% of France

Gasoline blended with bio-components – Northwest Europe Imports

Unit: Thousand Tons

Source: Eurostat⁹

	Belgium	Germany	France	Netherlands	United Kingdom	Sub-total	Sub-total adjusted*	Total EU-28
Oct-13	39	174	36	623	355	1,227	1209	1,917
Nov-13	43	140	29	713	417	1,342	1327.5	2,027
Dec-13	91	104	37	922	363	1,517	1498.5	2,216
Jan-14	79	109	37	964	315	1,504	1485.5	2,208
Feb-14	56	128	29	802	309	1,324	1309.5	2,009
Mar-14	61	91	18	926	294	1,390	1381	2,226
Apr-14	65	144	50	738	268	1,265	1240	2,088
May-14	50	219	49	645	306	1,269	1244.5	2,132
Jun-14	89	249	53	856	337	1,584	1557.5	2,442
Jul-14	33	206	61	657	242	1,199	1168.5	2,049
Aug-14	67	151	30	630	274	1,152	1137	1,881
Sep-14	98	144	25	788	265	1,320	1307.5	2,085
Oct-14	85	121	46	1,012	259	1,523	1500	2,268
Nov-14	78	120	27	691	301	1,217	1203.5	1,887
Dec-14	74	94	28	834	310	1,340	1326	2,145
Jan-15	92	101	44	844	383	1,464	1442	2,209
Feb-15	103	94	21	748	366	1,332	1321.5	2,081
Mar-15	101	114	28	908	190	1,341	1327	2,108
Apr-15	115	218	49	870	257	1,509	1484.5	2,290
May-15	86	194	61	896	290	1,527	1496.5	2,304
Jun-15	109	166	60	757	379	1,471	1441	2,396
Jul-15	64	275	56	780	174	1,349	1321	2,305
Aug-15	76	252	31	760	394	1,513	1497.5	2,358
Sep-15	120	156	26	756	461	1,519	1506	2,322

⁹ <http://ec.europa.eu/eurostat>

Oct-15	143	115	42	900	303	1,503	1482	2,388
Nov-15	140	124	24	809	479	1,576	1564	2,275
Dec-15	147	100	70	993	313	1,623	1588	2,426
Jan-16	231	108	94	1,045	342	1,820	1773	2,627
Feb-16	154	106	40	798	435	1,533	1513	2,483
Mar-16	298	133	45	936	165	1,577	1554.5	2,415
Apr-16	135	164	72	1,075	326	1,772	1736	2,591
May-16	112	159	136	937	417	1,761	1693	2,693
Jun-16	104	160	228	809	405	1,706	1592	2,629
Jul-16	148	129	99	594	251	1,221	1171.5	2,247
Aug-16	80	107	67	716	332	1,302	1268.5	2,334
Sep-16	109	121	73	585	362	1,250	1213.5	2,136
3 year Average	102	147	53	814	323	1,440	1,413	2,255

*Sub-total adjusted reflects Northwest Europe minus 50% of France

Naphtha- Northwest European production

Unit: Thousand Tons

Source: Eurostat¹⁰

	Belgium	Germany	France	Netherlands	United Kingdom	Sub-total	Sub-total adjusted*	Total EU
Oct-13	51	647	282	556	30	1,566	1,425	2,467
Nov-13	108	680	389	613	84	1,874	1,680	2,817
Dec-13	239	726	359	742	235	2,301	2,122	3,350
Jan-14	222	679	401	696	252	2,250	2,050	3,347
Feb-14	215	615	381	591	185	1,987	1,797	2,878
Mar-14	248	692	419	590	196	2,145	1,936	3,069
Apr-14	242	706	407	653	153	2,161	1,958	3,111
May-14	255	609	248	555	164	1,831	1,707	2,803
Jun-14	233	577	316	524	154	1,804	1,646	2,684
Jul-14	204	658	394	540	183	1,979	1,782	2,964
Aug-14	217	708	434	592	162	2,113	1,896	3,184
Sep-14	208	642	415	619	238	2,122	1,915	2,949
Oct-14	191	630	440	568	222	2,051	1,831	3,035
Nov-14	162	653	406	606	195	2,022	1,819	3,025
Dec-14	170	682	435	605	186	2,078	1,861	3,131
Jan-15	210	665	486	698	185	2,244	2,001	3,439
Feb-15	193	632	453	589	185	2,052	1,826	3,211
Mar-15	196	736	494	576	196	2,198	1,951	3,453
Apr-15	205	727	348	504	175	1,959	1,785	3,107
May-15	176	695	412	827	218	2,328	2,122	3,567

¹⁰ <http://ec.europa.eu/eurostat>

Jun-15	138	642	354	748	193	2,075	1,898	3,205
Jul-15	209	672	322	814	220	2,237	2,076	3,326
Aug-15	183	636	354	704	215	2,092	1,915	3,200
Sep-15	149	626	380	719	178	2,052	1,862	3,040
Oct-15	207	636	474	937	169	2,423	2,186	3,492
Nov-15	196	628	429	797	228	2,278	2,064	3,378
Dec-15	200	684	381	888	214	2,367	2,177	3,657
Jan-16	227	772	420	957	228	2,604	2,394	3,799
Feb-16	222	676	374	796	192	2,260	2,073	3,302
Mar-16	230	758	376	834	174	2,372	2,184	3,577
Apr-16	186	595	362	966	100	2,209	2,028	3,496
May-16	208	573	181	972	190	2,124	2,034	3,448
Jun-16	199	628	170	824	161	1,982	1,897	3,241
Jul-16	195	665	371	680	175	2,086	1,901	3,235
Aug-16	189	630	407	776	173	2,175	1,972	3,397
Sep-16	188	679	418	741	154	2,180	1,971	3,178
3-year average	196	663	380	705	182	2,127	1,937	3,210

*Sub-total adjusted reflects Northwest Europe minus 50% of France

Naphtha – Northwest European Imports

Unit: Thousand Tons

Source: Eurostat¹¹

	Belgium	Germany	France	Netherlands	United Kingdom	Sub total	Sub-total adjusted*	Total EU
Oct-13	431	492	76	1,404	117	2,520	2,482	2,794
Nov-13	358	509	139	1,403	82	2,491	2,422	2,780
Dec-13	414	531	164	1,406	60	2,575	2,493	2,820
Jan-14	496	686	193	1,361	55	2,791	2,695	3,154
Feb-14	346	705	110	1,387	43	2,591	2,536	2,901
Mar-14	364	586	95	1,355	73	2,473	2,426	2,671
Apr-14	314	593	235	1,157	83	2,382	2,265	2,627
May-14	266	642	216	1,513	68	2,705	2,597	2,935
Jun-14	324	563	254	1,446	87	2,674	2,547	2,920
Jul-14	347	850	275	1,179	70	2,721	2,584	2,915
Aug-14	338	637	177	1,185	68	2,405	2,317	2,695
Sep-14	318	502	151	1,148	27	2,146	2,071	2,429
Oct-14	367	640	130	1,146	24	2,307	2,242	2,699
Nov-14	389	714	166	1,064	63	2,396	2,313	2,711
Dec-14	375	688	269	1,263	72	2,667	2,533	2,965
Jan-15	370	787	179	1,378	34	2,748	2,659	3,121
Feb-15	346	604	93	1,408	39	2,490	2,444	2,808
Mar-15	372	648	178	1,296	24	2,518	2,429	2,881
Apr-15	307	637	133	1,233	47	2,357	2,291	2,620

¹¹ <http://ec.europa.eu/eurostat>

May-15	410	487	158	1,126	59	2,240	2,161	2,520
Jun-15	428	479	117	1,180	56	2,260	2,202	2,383
Jul-15	254	505	173	1,151	93	2,176	2,090	2,527
Aug-15	223	587	206	1,427	63	2,506	2,403	2,944
Sep-15	315	566	285	1,320	108	2,594	2,452	2,872
Oct-15	185	496	154	1,392	126	2,353	2,276	2,607
Nov-15	313	560	141	1,198	113	2,325	2,255	2,667
Dec-15	334	547	146	1,077	79	2,183	2,110	2,453
Jan-16	286	756	158	1,303	108	2,611	2,532	3,003
Feb-16	273	557	137	1,289	179	2,435	2,367	2,829
Mar-16	282	549	93	1,166	175	2,265	2,219	2,717
Apr-16	408	574	96	1,336	136	2,550	2,502	2,904
May-16	265	535	284	1,167	106	2,357	2,215	2,604
Jun-16	305	506	157	1,308	162	2,438	2,360	2,795
Jul-16	275	789	167	1,347	102	2,680	2,597	3,063
Aug-16	359	588	235	1,467	111	2,760	2,643	3,005
Sep-16	461	479	183	1,445	69	2,637	2,546	2,956
3-year average	339	599	170	1,290	83	2,481	2,396	2,786

*Sub-total adjusted reflects Northwest Europe minus 50% of France