

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-106 (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): 05/18/21 **Filing Description:** Initial Listing of Two (2) Petrochemical Futures 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:

Rule Numbers:



Christopher Bowen
 Managing Director and Chief Regulatory Counsel
 Legal Department

May 18, 2021

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) Petrochemical Futures Contracts. NYMEX Submission No. 21-106 (1 of 2)

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of two (2) petrochemical futures contracts (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, June 6, 2021, for trade date Monday, June 7, 2021, as noted in the table below:

Contract Title	Mont Belvieu Ethylene EPC (OPIS PCW) Futures
Rulebook Chapter	294
CME Globex and CME ClearPort Code	MBH
Settlement Type	Financial
Contract Size	100,000 pounds
Pricing Quotation	U.S. dollars and cents per pound
Minimum Price Fluctuation	\$0.00001 per gallon
Value per tick	\$1.00
First Listed Contract	June 2021
Termination of Trading	Trading shall cease on the last business day of the contract month
Listing Schedule	Monthly contracts listed for the current year and the next 2 calendar years. Additional monthly contracts will be listed for a new calendar year following the termination of trading in the December contract of the current year.
CME Globex Match Algorithm	First-In, First-Out (FIFO)
Block Trade Minimum Threshold	10 contracts – subject to a 15-minute reporting requirement

Contract Title	Mont Belvieu Ethylene EPC (OPIS PCW) BALMO Futures
Rulebook Chapter	295
CME Globex and	

CME ClearPort Code	MBJ
Settlement Type	Financial
Contract Size	100,000 pounds
Pricing Quotation	U.S. dollars and cents per pound
Minimum Price Fluctuation	\$0.00001 per pound
Value per tick	\$1.00
First Listed Contract	June 2021
Termination of Trading	Trading shall cease on the last business day of the contract month
Listing Schedule	Monthly BALMO contracts listed for 2 consecutive months
CME Globex Match Algorithm	First-In, First-Out (FIFO)
Block Trade Minimum Threshold	10 contracts – subject to a 15-minute reporting requirement

Trading and Clearing Hours	CME Globex: Sunday - Friday 6:00 p.m. - 5:00 p.m. Eastern Time/ET (5:00 p.m. - 4:00 p.m. Central Time/CT) with a 60-minute break each day beginning at 5:00 p.m. ET (4:00 p.m. CT)
	CME Globex PreOpen: Sunday 5:00 p.m. – 6:00 p.m. ET (4:00 p.m. – 5:00 p.m. CT). Monday – Friday 5:45 p.m. – 6:00 p.m. ET (4:45 p.m. – 5:00 p.m. CT)
	CME ClearPort: Sunday – Friday 6:00 p.m. – 5:00 p.m. ET (5:00 p.m. – 4:00 p.m. CT) with a 60-minute break each day beginning at 5:00 p.m. ET (4:00 p.m. CT)

Exchange Fees

Exchange Fees	Member	Non-Member	International Incentive Programs (IIP/IVIP)
CME Globex	\$6.00	\$7.50	\$6.75
EFP	\$6.00	\$7.50	
Block	\$6.00	\$7.50	
EFR/EOO	\$6.00	\$7.50	
Processing Fees			
Cash Settlement	\$0.50		
Facilitation Fee	\$0.60		
Give-Up Surcharge	\$0.05		
Position Adjustment/Position Transfer	\$0.10		

The Exchange is also certifying block trading on the Contracts with a minimum block threshold of ten (10) contracts which is commensurate with the Exchange’s similar petrochemical 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 Contract may have some bearing on the following Core Principles:

- **Availability of General Information:** The Exchange will publish information on the Contracts' specifications on its website, together with daily trading volume, open interest and price information.
- **Contracts Not Readily Subject to Manipulation:** The Contracts are based on a cash price series that is reflective of the underlying cash market and is commonly relied on and used as a reference price by cash market brokers and commercial market participants.
- **Compliance with Rules:** Trading in these Contracts will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.
- **Prevention of Market Disruption:** Trading in the Contracts will be subject to the Rules of NYMEX 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 Contract 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.
- **Financial Integrity of Contracts:** The Contracts traded on the Exchange will be cleared by the CME Clearing House.
- **Execution of Transactions:** The Contracts will be listed for trading on the CME Globex electronic trading platform and for clearing through CME ClearPort. The CME Globex electronic trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information:** All requisite trade information for the Contracts will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Protection of Market Participants:** Chapter 4 contains multiple prohibitions precluding intermediaries from disadvantaging their customers and which apply to trading on 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 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 are 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 non-member 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.
- **Daily Publication of Trading Information:** Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange certifies that the listing of the Contracts 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 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 Rulebook Chapters
Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5
of the NYMEX Rulebook (attached under separate cover)
Exhibit C: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Exhibit D: Cash Market Overview and Analysis of Deliverable Supply

Exhibit A

NYMEX Rulebook

Chapter 294 Mont Belvieu Ethylene (OPIS PCW) Futures

294101. 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. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

294102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the quotations from the OPIS PetroChem Wire Daily for Mont Belvieu Ethylene-Enterprise for each business day that it is determined during the contract month.

294103. TRADING SPECIFICATIONS

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

294103A. Trading Schedule

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

294103B. Trading Unit

The contract quantity shall be 100,000 pounds. Each contract shall be valued as the contract quantity (100,000) multiplied by the settlement price.

294103C. Price Increments

Prices shall be quoted in U.S. dollars and cents per pound. The minimum price fluctuation shall be \$0.00001 per pound. There shall be no maximum price fluctuation.

294103D. 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.

294103E. Termination of Trading

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

294104. 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.

294105. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Chapter 295

Mont Belvieu Ethylene EPC (OPIS PCW) BALMO Futures

295101. 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. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

295102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance of month arithmetic average of the quotations from the OPIS PetroChem Wire Daily for Mont Belvieu Ethylene-Enterprise starting from the selected start date through the end of the contract month, inclusive.

295103. TRADING SPECIFICATIONS

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

295103A. Trading Schedule

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

295103B. Trading Unit

The contract quantity shall be 100,000 pounds. Each contract shall be valued as the contract quantity (100,000) multiplied by the settlement price.

295103C. Price Increments

Prices shall be quoted in U.S. dollars and cents per pound. The minimum price fluctuation shall be \$0.00001 per pound. There shall be no maximum price fluctuation.

295103D. 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.

295103E. Termination of Trading

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

295104. 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.

295105. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Exhibit B

**NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")**

Position Limits, Position Accountability and Reportable Level Table

(attached under separate cover)

Exhibit C

**NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
NYMEX Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table
(additions underscored)**

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<u>Mont Belvieu Ethylene EPC (OPIS PCW) Futures</u>	<u>MBH</u>	<u>\$0.01 per pound</u>	<u>1000</u>	<u>1000</u>	<u>N/A</u>	<u>N/A</u>
<u>Mont Belvieu Ethylene EPC (OPIS PCW) BALMO Futures</u>	<u>MBJ</u>	<u>\$0.01 per pound</u>	<u>1000</u>	<u>1000</u>	<u>N/A</u>	<u>N/A</u>

Exhibit D

Cash Market Overview and Analysis of Deliverable Supply

(CONFIDENTIAL TREATMENT REQUESTED)