

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 19-006

**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):** 05/21/19 **Filing Description:** Amendments to the Minimum Price Fluctuation of Three (3) Ethanol Futures and 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.

May 21, 2019

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to the  
Minimum Price Fluctuation of Three (3) Ethanol Futures and Option Contracts.  
NYMEX Submission No. 19-006**

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 price increment rules of the Chicago Ethanol (Platts) Futures, Chicago Ethanol (Platts) Calendar Spread Option, and Chicago Ethanol (Platts) Average Price Option contracts (the “Contracts”) (collectively, the “Rule Amendments”) effective on Sunday, June 23, 2019 for trade date Monday, June 24, 2019 as noted in the table below.

Specifically, the Exchange will reduce the minimum price fluctuation of the Contracts for submission for clearing via CME ClearPort and increase the minimum price fluctuation of the Contracts for trading on the CME Globex electronic trading platform. The Rule Amendments will more accurately reflect current market practices of the Contracts.

Market participants have requested additional granularity on CME ClearPort in an effort to enhance liquidity. Given the structure of the ethanol market, this will enable greater liquidity and increased activity of the Contracts.

With regard to trading activity on CME Globex, the amendments are designed to improve the quality of liquidity available on the electronic trading platform.

Also, at this time, the Exchange, will implement additional non-substantive, administrative amendments in an effort to harmonize language in the rulebook chapters of the Contracts.

The Rule Amendments are provided in Exhibit A below with additions **underscoring** and deletions **~~struck through~~**.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter	Current Minimum Price Fluctuation CME Globex and CME ClearPort	Reduced Minimum Price Fluctuation CME ClearPort	Increased Minimum Price Fluctuation CME Globex
Chicago Ethanol (Platts) Calendar Spread Option	CE1	420	\$0.0001	\$0.00005	\$0.00025
Chicago Ethanol (Platts) Average Price Option	CVR	422	\$0.0001	\$0.00005	\$0.00025
Chicago Ethanol (Platts) Futures	CU	582	\$0.0001	\$0.00005	\$0.00025

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the Rule 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 Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply 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 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](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: Amendments to NYMEX Rulebook Chapters 420, 422, and 582 (blackline format)

## Exhibit A

### NYMEX Rulebook

(additions underscored; deletions struck through)

#### Chapter 420 Chicago Ethanol (Platts) Calendar Spread Option

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#### **420101. OPTION CHARACTERISTICS**

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##### **420101.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0000054 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 per contract.

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#### Chapter 422 Chicago Ethanol (Platts) Average Price Option

##### **422.01 EXPIRATION**

~~A Chicago Ethanol (Platts) Average Price Option on the Exchange shall expire at the close of trading on the last business day of the calendar month. The expiration date shall be announced prior to the listing of the option contract.~~

##### **422.02 TRADING UNIT**

~~A Chicago Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Chicago Ethanol (Platts) Swap Future less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Chicago Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Chicago Ethanol (Platts) Swap Futures, or zero, whichever is greater, multiplied by 42,000 gallons.~~

##### **422.03 TRADING MONTHS**

~~Trading in Chicago Ethanol (Platts) Average Price Option shall be conducted in the months as shall be determined by the Exchange.~~

##### **422.04 STRIKE PRICES**

~~Transactions shall be conducted for option contracts as set forth in Rule 300.20.~~

##### **422.05 PRICES**

~~Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.0001 per gallon. The minimum price increment will be \$0.0001. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1 per contract.~~

##### **422.06 ABSENCE OF PRICE FLUCTUATION LIMITATIONS**

~~Trading in Chicago Ethanol (Platts) Average Price Option shall not be subject to price fluctuation limitations.~~

##### **422.07. DISCLAIMER**

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

## Chapter 422

### Chicago Ethanol (Platts) Average Price Option

#### 422100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Chicago Ethanol (Platts) Futures. In addition to the rules of this chapter, transactions in options on Chicago Ethanol (Platts) Futures shall be subject to the general rules of the Exchange insofar as applicable.

#### 422101. OPTION CHARACTERISTICS

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

##### **422101.A. Trading Schedule**

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

##### **422101.B. Trading Unit**

A Chicago Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Chicago Ethanol (Platts) Futures less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Chicago Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Chicago Ethanol (Platts) Futures, or zero, whichever is greater, multiplied by 42,000 gallons.

##### **422101.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.00005 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 per contract.

##### **422101.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.

##### **422101.E. Termination of Trading**

Trading terminates at the close of trading on the last business day of the contract month.

##### **422101.F. Type Option**

The option is a European-style option.

#### 422102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

#### 422103. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

## **Chapter 582**

### **Chicago Ethanol (Platts) Futures**

#### **582.01 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.

#### **582.02 FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts for Chicago Ethanol (terminal) for each business day that it is determined during the contract month.

#### **582.03 CONTRACT QUANTITY AND VALUE**

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

#### **582.04 CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

#### **582.05 PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon. There shall be no maximum price fluctuation.

#### **582.06 TERMINATION OF TRADING**

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

#### **582.07 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.

#### **582.08 RESERVED**

#### **582.09 DISCLAIMER**

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

## Chicago Ethanol (Platts) Futures

### 582100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all 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.

### 582101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations as published by S&P Global Platts for Chicago Ethanol (terminal) for each business day that it is determined during the contract month.

### 582102. TRADING SPECIFICATIONS

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

#### 582102.A. Trading Schedule

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

#### 582102.B. Trading Unit

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

#### 582102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.00005 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform.

#### 582102.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.

#### 582102.E. Termination of Trading

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

### 582103. 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.

### 582103. DISCLAIMER

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