

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-274

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/30/17 Filing Description: Increasing the Spot Month Position Limits for the Five (5) Copper Futures and Options 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.

June 30, 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 40.6(a) Rule Certification. Notification Regarding Increasing the Spot Month Position Limits of the Five (5) Copper Futures and Options Contracts. COMEX Submission No. 17-274

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or the “Commission”) that it is self-certifying an increase of the spot month position limits of five (5) copper futures and options contracts (the “Contracts”), commencing with the August 2017 contract month and beyond, as noted in the table below. Specifically, the increase of the spot month limits shall go into effect at the close of trading on July 28, 2017 for the August 2017 contract month and beyond. This submission shall become effective on July 18, 2017.

(**Bold/underline** indicates addition; ~~Strikethrough~~ indicates deletion)

Contract Title	Rule Chapter	Commodity Code	Reporting Level	Spot-Month Limit (In Net Futures Equivalents)	Single Month Accountability Level (In Net Futures Equivalents)	All Month Accountability Level (In Net Futures Equivalents)
Copper Futures	187	HG	25	4,000 <u>1,200</u>	5,000	5,000
Copper Option	117	HX	25	4,000 <u>1,200</u>	5,000	5,000
Copper Weekly Options	1010	H1E-H5E	25	4,000 <u>1,200</u>	5,000	5,000
Copper Financial Futures	1190	HGS	25	4,000 <u>1,200</u>	5,000	5,000
Copper Average Price Option	1191	CAP	25	4,000 <u>1,200</u>	5,000	5,000

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 COMEX Rulebook (the “Table”) will be amended to reflect the increased spot month position limits of the Contracts. (See Appendix A: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the COMEX Rulebook with additions underscored and bolded and deletions overstruck (attached under separate cover).

Consistent with Core Principle 3 of the Commodity Exchange Act, Appendix C of Part 38, the Exchange based the definition of deliverable supply on existing registered and eligible inventories at its Exchange approved warehouses for Exchange delivery. Below is the guidance provided for in Appendix C.

The quantity of the commodity meeting the contract's delivery specifications that reasonably can be expected to be readily available to short traders and salable by long traders at its market value in normal cash marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce. Typically, deliverable supply reflects the quantity of the commodity that potentially could be made available for sale on a spot basis at current prices at the contract's delivery points. For a non-financial physical-delivery commodity contract, this estimate might represent product which is in storage at the delivery point(s) specified in the futures contract or can be moved economically into or through such points consistent with the delivery procedures set forth in the contract and which is available for sale on a spot basis within the marketing channels that normally are tributary to the delivery point(s)¹.

As of June 26, 2017, copper inventories held at COMEX approved warehouses totaled 162,424 short tons, the equivalent of 12,994 COMEX Copper Futures contracts. As of June 26, 2017, the 3-year average monthly copper inventory held at COMEX approved warehouses totaled 61,450 short tons, the equivalent of 4,916 COMEX Copper Futures contracts. Based on this updated deliverable supply, the Exchange determined to increase the spot month limits for the Contracts from 1,000 futures equivalent contracts to 1,200 futures equivalent contracts or 24.41% of deliverable supply effective with the August 2017 contract month. COMEX Copper stocks have generally trended higher over the past two years. COMEX Copper stocks were at 30,565 short tons, or 2,445 contract equivalents, on June 30, 2015. These inventories have increased over five-fold during this timeframe. Furthermore, COMEX Copper stocks have increased by approximately 82% year to date.

Copper Inventories held at COMEX Warehouses

3 Year Average/Current	Total (Short Tons)	Contracts Equivalent	25% of Deliverable Supply (Contracts Equivalent)
3 Year Average	61,450	4,916	1,229
Total As of 6/26/2017	162,424	12,994	3,248

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act") and identified that the amendments to the Table may have some bearing on the following Core Principle:

Contracts Not Readily Subject To Manipulation: The Contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying physical markets.

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 make publicly available the details of the spot month position limit increases by publishing a Market Surveillance Notice ("MSN") to the market. The MSN will also be available on CME Group's website.

¹ <http://www.cftc.gov/ucm/groups/public/@Irfederalregister/documents/file/2012-12746a.pdf>

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that these changes 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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (attached under separate cover)

Appendix A

Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the COMEX Rulebook

(attached under separate cover)

(blackline format)