

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-343

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/30/20 Filing Description: Increase of Spot Month Position Limits of Five (5) Copper 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.



Christopher Bowen
 Managing Director and Chief Regulatory Counsel
 Legal Department

July 30, 2020

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 for Five (5) Copper Futures and Options Contracts. COMEX Submission No. 20-343

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 for the five (5) Copper futures and options contracts as noted below (the “Contracts”), effective on the close of business on Friday, August 28, 2020 and commencing with the September 2020 contract month and beyond.

(additions underscored; deletions ~~struck through~~)

Contract Title	Rule Chapter	CME Globex and CME Clearport 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	111	HG	25	750 -1000	5,000	5,000
Copper Option	117	HX	25	750 -1000	5,000	5,000
Copper Weekly Options	1010	H1E-H5E	25	750 -1000	5,000	5,000
Copper Financial Futures	1190	HGS	25	750 -1000	5,000	5,000
Copper Average Price Option	1191	CAP	25	750 -1000	5,000	5,000

This submission shall be effective on Friday, August 14, 2020.

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 Exhibit A and Exhibit B: 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 30, 2020, the 3-year average monthly copper inventory held at COMEX approved warehouses totaled 121,760 short tons, the equivalent of 9,741 COMEX Copper Futures contracts. While copper stocks had decreased significantly from the beginning of 2019 through the beginning of 2020, there has been a steady increase in inventory during the past 4 months. The level of inventory as of June 30, 2020 was 83,280 short tons which equates to 6,662 contract equivalents.

Inventory and Capacity of Exchange Approved Warehouses

The table below provides the monthly average inventory levels of copper for the most recent three (3) year period stored at Exchange approved warehouses.

Inventory at Exchange Approved Warehouses

Month	Average Registered (ST)	Average Eligible (ST)	Average Total (ST)	Average Inventory (Contract Equivalents)
Jul-17	164,988	2,476	167,464	13,397
Aug-17	173,292	4,644	177,936	14,235
Sep-17	177,049	14,210	191,258	15,301
Oct-17	187,304	15,702	203,006	16,240
Nov-17	194,681	13,117	207,798	16,624
Dec-17	199,348	10,406	209,754	16,780
Jan-18	205,739	9,905	215,643	17,251
Feb-18	217,162	9,221	226,383	18,111
Mar-18	221,294	11,582	232,876	18,630
Apr-18	219,870	21,548	241,419	19,313
May-18	210,293	36,410	246,703	19,736
Jun-18	195,610	32,442	228,053	18,244
Jul-18	179,435	36,845	216,280	17,302

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

Aug-18	173,201	23,550	196,750	15,740
Sep-18	146,034	34,540	180,574	14,446
Oct-18	129,159	35,264	164,423	13,154
Nov-18	107,556	38,730	146,285	11,703
Dec-18	97,637	21,601	119,238	9,539
Jan-19	73,265	24,171	97,436	7,795
Feb-19	44,717	24,836	69,553	5,564
Mar-19	39,915	9,451	49,367	3,949
Apr-19	32,910	5,239	38,149	3,052
May-19	29,931	2,359	32,290	2,583
Jun-19	30,278	924	31,202	2,496
Jul-19	32,795	4,317	37,112	2,969
Aug-19	36,115	5,707	41,821	3,346
Sep-19	35,208	7,427	42,635	3,411
Oct-19	32,446	4,529	36,976	2,958
Nov-19	36,890	2,217	39,107	3,129
Dec-19	36,437	3,198	39,635	3,171
Jan-20	29,594	4,961	34,555	2,764
Feb-20	28,280	1,026	29,306	2,345
Mar-20	26,648	2,331	28,979	2,318
Apr-20	34,075	5,540	39,614	3,169
May-20	39,015	11,325	50,340	4,027
Jun-20	52,523	20,934	73,456	5,876
3-year average	107,519	14,241	121,760	9,741

Source: CME Group

Based on the continuing increase in copper inventory, the Exchange proposes to increase the spot month position limit for the Contracts from 750 contracts to 1,000 contracts which represents 10.27% of deliverable supply for the most recent 3-year period.

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.

The Exchange certifies that the increased position limits of the Contracts comply with the Act and regulations thereunder. There were no 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

Attachments: Exhibit A – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (Effective August 14, 2020) (under separate cover)

Exhibit B – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (effective close of business August 28, 2020) (under separate cover)

Exhibit A

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective August 14, 2020)

Exhibit B

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective close of business August 28, 2020)