SUBMISSION COVER SHEET

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

Registered Entity Identifier Code (optional): <u>21-392</u>

Organization: <u>New York Mercantile Exchange, Inc. ("NYMEX")</u>

Filing as a: ☒ **DCM** ☐ **SEF** ☐ **DCO** ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): <u>09/17/21</u> Filing Description: <u>Amendments to the Special Price Fluctuation Limits and Daily Price Limits Table for all Energy Contracts Subject to NYMEX Rule 589. ("Daily Price Fluctuation Limits")</u>

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

Official Product Name:

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: <u>See filing.</u>

Rule Numbers: <u>See filing.</u>

CME Group

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

September 17, 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 40.6(a) Certification. Amendments to the Special Price Fluctuation Limits and Daily Price Limits Table for all Energy Contracts Subject to NYMEX Rule 589. ("Daily Price Fluctuation Limits").
NYMEX Submission No. 21-392

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby certifies to the Commission amendments to the Special Price Fluctuation Limits and Daily Price Limits table (the "Table") provided in NYMEX Rule 589. ("Special Price Fluctuation Limits") for all relevant energy contracts and their related associated contracts (the "Contracts") subject to Rule 589. as noted below effective on Sunday October 3, 2021 for trade date Monday October 4, 2021.

Specifically, the Exchange is amending the dynamically calculated variant such that it shall be 10% for the Contracts (collectively, the "Rule Amendments"). The Rule Amendments are being implemented in light of current market conditions and are intended to ensure fair and orderly trading in the Contracts which are subject to Rule 589. as detailed in Exhibit A further below in blackline format.

EXHIBIT A

NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Rule 589. ("Special Price Fluctuation Limits")
Special Price Fluctuation Limits and Daily Price Limits Table

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

Product	NYMEX RULEBOOK CHAPTER	COMMODITY CODE	PRIMARY/ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant	Daily Price Limit
NY Harbor ULSD Futures *	150	HO	Primary	Primary	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
E-mini Heating Oil Futures	404	QH	Associated	HO	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
NY Harbor ULSD Option	320	OH	Associated	HO		

NY Harbor ULSD Calendar Spread Option	392	FAY, FB, FC, FM, AFZ	Associated	HO		
NY Harbor ULSD Average Price Option	321	ATX	Associated	HO		
NY Harbor ULSD Crack Spread Option	350	CHY	Associated	HO		
NY Harbor ULSD European Financial Option	551	LB	Associated	HO		
RBOB Futures *	191	RB	Primary	Primary	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
E-mini RBOB Gasoline Futures	403	QU	Associated	RB	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
RBOB Gasoline Financial Futures	555	RT	Associated	RB	~~7% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
RBOB Gasoline Option	335	OB	Associated	RB		
RBOB Gasoline Calendar Spread Option	388	ZAY, AZB, AZC, AZM	Associated	RB		
RBOB Gasoline Average Price Option	386	RA	Associated	RB		
RBOB Gasoline Crack Spread Option	387	RXY	Associated	RB		
RBOB Gasoline European Financial Option	385	ARF	Associated	RB		
Henry Hub Natural Gas Futures	220	NG	Primary	Primary	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Gulf Coast LNG Export Futures	240	LNG	Primary	Primary	~~7% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
E-mini Natural Gas Futures	402	QG	Associated	NG	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Henry Hub Natural Gas Look-Alike Penultimate Financial Futures	824	HP	Associated	NG	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table

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Henry Hub Natural Gas Penultimate Financial Futures	529	NPG	Associated	NG	~~7% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Henry Hub Natural Gas Look-Alike Last Day Financial Futures	823	HH	Associated	NG	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Henry Hub Natural Gas Last Day Financial Futures	508	NN	Associated	NG	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Henry Hub Natural Gas Last Day Financial Futures (Daily Units)	508	NNE	Associated	NG	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Henry Hub Natural Gas Option	370	ON	Associated	NG		
Henry Hub Natural Gas Calendar Spread Option	391	IAY, IB, AIC, IE, IM, IZ	Associated	NG		
Daily Natural Gas Option	832	KDB	Associated	NG		
Henry Hub Natural Gas European Financial Option	560	LNE	Associated	NG		
Henry Hub Natural Gas Financial Calendar Spread Option	399	G4X, AG2, G3B, G10, AG5, G6B, AG7	Associated	NG		
Henry Hub Natural Gas Last Day Financial Option	375	AE7	Associated	NG		
Natural Gas Weekly Option	1012	ON1, ON2, ON3, ON4, ON5	Associated	NG		
Natural Gas Financial Weekly Option (European)	1006	LN1, LN2, LN3, LN4, LN5	Associated	NG		
Light Sweet Crude Oil Futures *	200	CL	Primary	Primary	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
E-mini Crude Oil Futures	401	QM	Associated	CL	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Micro WTI Crude Oil futures	309	MCL	Associated	CL	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Crude Oil Financial Futures	691	WS	Associated	CL	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated	Daily Price Limit Table

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					Calculated Reference Price	
Light Sweet Crude Oil Option	310	LO	Associated	CL		
WTI Calendar Spread Option	390	WAY, WB, WC, AWM, AWZ	Associated	CL		
Daily Crude Oil Option	833	ICD	Associated	CL		
Light Sweet Crude Oil European Financial Option	550	LCE	Associated	CL		
Crude Oil Financial Calendar Spread	397	B7A, 7B, 7C, 7M, 7Z	Associated	CL		
WTI Average Price Option	341	AAO	Associated	CL		
Crude Oil Weekly Option	1011	LO1, LO2, LO3, LO4, LO5	Associated	CL		
Crude Oil Mid-Curve Option	468	LM1, LM2, LM3, LM4, LM5	Associated	CL		
WTI Houston Crude Oil Futures	201	HCL	Primary	Primary	~~7% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Brent Last Day Financial Futures	698	BZ	Primary	Primary	~~15% of Dynamically Calculated Reference Price~~ 10% of Dynamically Calculated Reference Price	Daily Price Limit Table
Brent Crude Oil Last Day Financial Calendar Spread (1 Month) Option	398	9C	Associated	BZ		
Brent Crude Oil Last Day Financial Calendar Spread (2 Month) Option	398	9B	Associated	BZ		
Brent Crude Oil Last Day Financial Calendar Spread (3 Month) Option	398	9D	Associated	BZ		
Brent Crude Oil Last Day Financial Calendar Spread (12 Month) Option	398	9L	Associated	BZ		
Brent Crude Oil Last Day Financial Calendar Spread (6 Month) Option	398	9Y	Associated	BZ		
Brent Last Day Financial (European) Option	378	BE	Associated	BZ		
Brent Crude Oil Futures-Style Margin Option	504	BZO	Associated	BZ		
Brent Last Day Financial Option	376	OSX	Associated	BZ		
Brent Last Day Financial Weekly Option	1007	BW#	Associated	BZ		

Note - * Designates associated Inter-commodity products
Products with a limit level designated in blue are associated products without their own specific limits.

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Dynamic price limit functionality under the special price fluctuation limits mechanism assigns a price limit variant as determined by the Exchange ("dynamic variant"). During the trading day, the dynamic variant will be utilized in rolling 60 minutes look-back periods to establish dynamic upper and lower price fluctuation limits. Posted trades, bids or offers through the dynamic price fluctuation limits will trigger a two (2) minute trading halt. This methodology allows for the trading engine to halt the market on a move at any point during the day, which is intended to promote continuous price discovery with less market disruption.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the following Core Principles may be impacted by this initiative as follows:

- **Compliance with Rules:** Changes to special price fluctuation limits constitute a change to a term and condition pursuant to Part 40 of the Regulations under the CEA. The Exchange is amending the price limits and special price fluctuation limit functionality attendant to the Contracts. As such, the Rule Amendments remain in compliance with this Core Principle.

- **Prevention of Market Disruption:** NYMEX Rule 589. is expressly intended to prevent unwarranted price movements in products subject to the Rule. The Rule Amendments codify the manner in which the limits are applied and remain in compliance with the Core Principle.

- **Availability of General Information**: The Exchange will make publicly available the details of the amendments by publishing a Special Executive Report ("SER") to the market. The SER will also be available on CME Group's website.

- **Protection of Market Participants:** NYMEX Rule 589. is intended to promote fair and equitable trading by ensuring that there are limits on the permissible price movements on any given trading day in the products subject to the Rule. As such, the Rule Amendments are in compliance with this Core Principle.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' 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