

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-001

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): 09/27/2019 Filing Description: Initial Listing of the U.S. LNG Export Futures Contract

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:

September 27, 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 40.2(a) Certification. Notification Regarding the Initial Listing of U.S. LNG Export Futures Contract. NYMEX Submission No. 19-001

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the initial listing of U.S. LNG Export Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort effective on Sunday, October 13, 2019 for trade date Monday, October 14, 2019, as described below.

Contract Title	U.S. LNG Export Futures
Commodity Code	LNG
Rulebook Chapter	240
Settlement Type	Physical
Qualifying Lot Range for Physical Delivery	340-390 contracts
Delivery Location	Sabine Pass Facility in Cameron Parish, Louisiana
Contract Unit	10,000 (million British thermal units/MMBtu)
Contract Value	The contract value shall be the settlement price multiplied by ten thousand (10,000) multiplied by the number of contracts to be delivered.
Minimum Price Fluctuation	\$0.001 per MMBtu
Termination of Trading	Trading in the expiring contract month shall terminate three Business Days prior to the first calendar day of the month prior to the expiring contract month.
Listing Schedule	Monthly contracts listed for 24 consecutive months. Add monthly contract following the termination of trading of each contract month.

Exchange Fees

	Member	Non-Member	International Incentive Programs (IIP/IVIP)
CME Globex	\$15.00	\$20.00	\$16.50
EFP	\$15.00	\$20.00	
Block	\$15.00	\$20.00	
EFR/EOO	\$15.00	\$20.00	

	House Account	Customer Account
Delivery Notice	\$15.00	\$20.00
Facilitation Fee	\$0.60	
Give-Up Surcharge	\$0.05	
Position Adjustment/Position Transfer	\$0.10	

Trading and Clearing Hours

CME Globex and CME ClearPort	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)
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NYMEX is self-certifying block trading on the Contract with a minimum block threshold of five (5) contracts and reporting window of fifteen (15) minutes. The minimum block threshold and the reporting window are aligned with the Exchange's existing natural gas futures contracts.

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 Contract may have some bearing on the following Core Principles:

- Compliance with Rules:** Trading in the Contract will be subject to the rules in Rulebook Chapter 4 which include prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this Contract will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the Contracts will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority

to exercise its investigatory and enforcement power where potential rule violations are identified.

- **Contract Not Readily Subject to Manipulation:** The specification of the Contract market and the structural market attributes are designed such that the Contract is not readily susceptible to manipulation.
- **Prevention of Market Disruption:** Trading in the Contract 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 Contracts 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 Contract as demonstrated in this submission are consistent with the Commission's guidance.
- **Availability of General Information:** The Exchange will publish on its website information regarding the Contract's specifications, terms, and conditions, as well as daily trading volume, open interest, and price information.
- **Daily Publication of Trading Information:** The Exchange will publish the Contract's trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.
- **Execution of Transactions:** The Contract will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex 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 Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Contracts:** The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the CFTC and subject to all CFTC regulations related thereto.
- **Protection of Market Participants:** NYMEX Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in 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 these products are identified.
- **Dispute Resolution:** Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers 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 nonmember 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:** NYMEX will comply with this Core Principle by making public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contracts. This will be accomplished by publishing this information on a daily basis on the Exchange's website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that listing the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to listing of the Contract.

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: NYMEX Rulebook Chapter 240
- Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (blackline format) (attached under separate cover)
- Exhibit C: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table (blackline format)
- Exhibit D: NYMEX Rule 589. (“Special Price Fluctuations Limits and Daily Limits”) Table (blackline format)
- Exhibit E: Cash Market Overview and Analysis of Deliverable Supply (attached under separate cover) (confidential treatment requested)

Exhibit A

**NYMEX Rulebook
Chapter 240**

U.S. LNG Export Futures

(attached under separate cover)

Exhibit B

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

Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Exhibit C

NYMEX Rulebook

Chapter 5

("Trading Qualifications and Practices")

Rule 588.H. ("Globex Non-Reviewable Ranges") Table

(additions underscored)

Outright					Spreads	
Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>U.S. LNG Export Futures</u>	<u>LNG</u>	<u>\$.10 per MMBtu</u>	<u>100</u>	<u>100</u>	<u>25</u>	<u>25</u>

Exhibit D

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Rule 589. (“Special Price Fluctuation Limits and Daily Limits”) Table

(additions underscored)

Product	Rulebook Chapter	Commodity Code	Primary/ Associated	Associated With	Dynamically Calculated Variant	Daily Price Limit
<u>U.S. LNG Export Futures</u>	<u>240</u>	<u>LNG</u>	<u>Primary</u>	<u>Primary</u>	<u>7% of Dynamically Calculated Reference Price</u>	<u>Daily Price Limit Table</u>

Exhibit E

(CONFIDENTIAL TREATMENT REQUESTED)

ADDITIONAL SUPPLEMENTAL MARKET INFORMATION

[REDACTED]