



Submission No. 19-295
October 4, 2019

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: New Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future and Related Amendments (1 of 1)
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rule 19.C.121, and amendments to Resolutions 1 and 2 of Chapter 19. The new rules and amendments provide for one new futures contract, which will be listed on or about October 21, 2019, or such other date as the Exchange shall determine which shall be no sooner than the second business day following the business day on which this submission is received by the Commission.

Oil Americas Futures Contracts

a. Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future

The Exchange is listing one monthly cash settled differential futures contract, Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future, based on the difference between the Argus daily assessment price for WTI Midland-Enterprise and the Argus daily assessment price for WTI Formula Basis. The futures contract will cease trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day and cash settle to a price in USD and cents per barrel based on the average of the quotations appearing in the “Argus Crude” report under the heading “Texas”, subheading “Diff weighted average” for “WTI Midland-Enterprise” (1st Month), for each business day in the determination period. The average of the WTI Midland-Enterprise (1st Month) differential weighted average (Diff weighted average) price is taken from Argus Media, is based upon the weighted average floating price of WTI Midland-Enterprise minus the “WTI Formula Basis” price from Argus Media, for the trade month period beginning with the first business day after the 25th calendar day two months prior to the contract month through the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, the trade month period shall end on the first business day prior to the 25th calendar day. The future will have a contract size of 1,000 barrels, which is consistent with other Oil Americas futures.

The contract size, minimum price fluctuation, Interval Price Limits (IPLs) and IPL recalculation times, No-Cancellation Ranges (NCRs), spot month position limits and single and all month accountability levels are provided in relevant documents attached as Exhibit A. All relevant terms of the contract are

similar to other Oil Americas contracts listed by the Exchange. The listing cycle and other relevant specifications are provided in the contract specifications in Exhibit A. New Exchange Rule 19.C.121 lists the new Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future contract. A Deliverable Supply Analysis detailing the methodology the Exchange used to determine the spot month position limit for the aforementioned contract is attached hereto as Exhibit B.

Certifications

The new rule and rule amendments will become effective with the listing of the new futures contract. The Exchange is not aware of any substantive opposing views to the new futures contract. The Exchange certifies that the new contract rule and rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the listing of the contracts complies with the following relevant Core Principles:

COMPLIANCE WITH RULES

The terms and conditions of the new futures contract is set forth in new Rules 19.C.121, amendments to Resolutions 1 and 2 of Chapter 19, and will be enforced by the Exchange. In addition, trading of the contracts are subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The new futures contract is not readily subject to manipulation, as it is based on established and liquid underlying cash markets. In addition, trading of the new contract will be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the new futures contract will be subject to position limits and accountability levels set by the Exchange. As described above, such position limits are based upon the deliverable supply in the cash market. A Deliverable Supply Analysis is attached hereto as Exhibit B.

FINANCIAL INTEGRITY OF CONTRACTS

The new futures contract will be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (<https://www.theice.com/futures-us/regulation>). If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartz@theice.com.

Sincerely,



Patrick Swartz
Manager
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Minimum Tick ^[1]	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR
19.C.121	Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future	MSE	1,000	barrels	0.01	\$6.25	3	5	\$0.25

[1] The minimum fluctuation for the above futures and options contracts may differ depending on trade type.

Resolution No. 1 - Minimum Price Fluctuation Table

The following minimum price fluctuations shall be applicable to Oil Contracts.

Rule Number	Product	Minimum Price Fluctuations	
		Screen	Blocks and other trades outside the central limit order book

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<u>19.C.121</u>	<u>Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future</u>	<u>0.01</u>	<u>0.01</u>
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Resolution No. 2 – Position Limit/Accountability Table

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
19.C.121	Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future	MSE	1,000	barrels	6,800	6,800	6,800	MSE		25

SUBCHAPTER 19C - DIFFERENTIAL FUTURES CONTRACTS – CRUDE OIL AND REFINED PRODUCTS

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19.C.121 Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future

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19.C.121 Crude Diff - Argus WTI Midland-Enterprise vs WTI Trade Month Future

Description: A cash settled future based on the difference between the Argus daily assessment price for WTI Midland-Enterprise (1st Month) and the Argus daily assessment price for WTI Formula Basis (1st Month).

Contract Symbol: MSE

Contract Size: 1,000 barrels

Unit of Trading: Any multiple of 1,000 barrels

Currency: US Dollars and cents

Trading Price Quotation: One cent (\$0.01) per barrel

Settlement Price Quotation: One tenth of one cent (\$0.001) per barrel

Minimum Price Fluctuation: One tenth of one cent (\$0.001) per barrel

Last Trading Day: Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

Floating Price: In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

Final Settlement Price: In respect of final settlement, the Floating Price will be a price in USD and cents per barrel based on the average of the quotations appearing in the "Argus Crude" report under the heading "WTI", subheading "Diff weighted average" for "WTI Midland-Enterprise " (1st month), for each business day (as specified below) in the determination period.

The average of the WTI Midland-Enterprise (1st month) differential weighted average (Diff weighted average) price taken from Argus Media, is based upon the weighted average floating price of WTI Midland-Enterprise minus the "WTI Formula Basis" price from Argus Media, for the Trade month period beginning with the first business day after the 25th calendar day two months prior to the contract month through the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, the Trade month period shall end on the first business day prior to the 25th calendar day.

Common Pricing applies.

Contract Series: Up to 60 consecutive months

Final Payment Dates: Two Clearing House Business Days following the Last Trading Day

Business Days: Publication days for Argus Crude

MIC Code: IFED

Clearing Venue: ICEU

[REMAINDER OF RULEBOOK UNCHANGED]

EXHIBIT B

[EXHIBIT REDACTED]