SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 20-462 (1 of 2)

Organization: Chicago Mercantile Exchange Inc. ("CME")

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/05/20 Filing Description: Amendments to the CME and NYMEX Position Limits, Position Accountability, and Reportable Level Table of the CME USD Malaysian Crude Palm Oil Calendar Futures, USD Malaysian Crude Palm Oil Average Price Option, Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures and the NYMEX European Low Sulfur Gasoil Financial Futures Contracts – Temporary Suspension of Trading and Clearing of the Affected Contract Months of the CME Contracts

SPECIFY FILING TYPE

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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: See filing

Rule Numbers: See filing

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

November 5, 2020

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Future Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification. Amendments to the CME and NYMEX Position Limits, Position Accountability, and Reportable Level Table of the CME USD Malaysian Crude Palm Oil Calendar Futures, USD Malaysian Crude Palm Oil Average Price Option, Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures and the NYMEX European Low Sulfur Gasoil Financial Futures Contracts – Temporary Suspension of Trading and Clearing of Affected Contract Months of the CME Contracts.
CME Submission No. 20-462 (1 of 2)

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME") and New York Mercantile Exchange, Inc. ("NYMEX") (collectively, the "Exchanges") are certifying to the Commodity Futures Trading Commission ("CFTC" or "Commission") amendments to the Position Limits, Position Accountability, and Accountability table (the "Table") of the USD Malaysian Crude Palm Oil Calendar Futures, USD Malaysian Crude Palm Oil Average Price Option and Bursa Malaysia Crude Palm Oil - Gas Oil Spread Futures contracts (the "CME Contracts") effective on Monday, November 23, 2020 and commencing with the January 2022 contract month and beyond.

Also at this time and effective close of business on December 31, 2021, NYMEX will amend the Table for the Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures contract such that this contract will aggregate into NYMEX's European Low Sulphur Gasoil Financial Futures contract (Rulebook Chapter: 728; CME Globex Code: AGX; CME ClearPort Code: GX) (the "NYMEX Contract") (collectively, the "Contracts").

Finally, effective immediately CME will suspend trading and clearing of the January 2022 contract month and beyond of the CME Contracts (there is no open interest in these contract months) until the effective date of November 23, 2020 (collectively, the "Rule Amendments").

CME Rulebook
Chapter 5
("Trading Qualifications and Practices)
Position Limits, Position Accountability and Reportable Level Table
(additions underscored; deletions ~~struck through~~)

Contract Title	**USD Malaysian Crude Palm Oil Calendar Futures**	**USD Malaysian Crude Palm Oil Average Price Option**	**Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures**
Commodity Code	CPO	POO	POG

300 Vesey Street New York, NY 10282 T 212 299 2200 F 212 301 4645 christopher.bowen@cmegroup.com cmegroup.com

CME Rulebook Chapter	204	204D	204E
Spot-Month, Single-Month and All-Month Aggregate Into Futures Equivalent Leg (1)	CPO	CPO	CPO
Spot-Month, Single-Month and All-Month Aggregate Into Futures Equivalent Leg (2)			~~POG~~ GX
Spot-Month, Single-Month and All-Month Aggregate Into Ratio Leg (1)		1 POO : 1 CPO	1 POG : 1 CPO
Spot-Month, Single-Month and All-Month Aggregate Into Ratio Leg (2)			40 POG : 1 GX
Initial Spot-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	3,000	3,000	3,000/~~3,000~~ 1,500
Single-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	~~3,000~~	~~3,000~~	~~3,000~~/~~3,000~~
All-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	~~3,000~~	~~3,000~~	~~3,000~~/~~3,000~~
Single-Month Accountability Levels (In Net Futures Equivalents) Leg (1) / Leg (2)	8,000	8,000	8,000/7,000
All-Month Accountability Levels (In Net Futures Equivalents) Leg (1) / Leg (2)	8,000	8,000	8,000/7,000

Currently, the USD Malaysian Crude Palm Oil Calendar Futures and the USD Malaysian Crude Palm Oil Average Price Option are subject to Spot Month/Single Month/All Months Position Limits of 3,000/3,000/3,000 contracts, respectively. The Exchanges will apply new Single Month/All Month Position Accountability Levels of 8,000/8,000 contracts and will remove the Single Month/All Month Position Limits.

There will be no change in the Spot Month Position Limits of 3,000 contracts for the USD Malaysian Crude Palm Oil Calendar Futures and the USD Malaysian Crude Palm Oil Average Price Option. The Exchanges conducted an analysis of cash market overview and deliverable supply on the Malaysian crude palm oil and European Gasoil market which is provided in Exhibit B.

Positions in USD Malaysian Crude Palm Oil Average Price Options will continue to aggregate into the USD Malaysian Crude Palm Oil Calendar Futures.

The Exchanges will also amend the position aggregation for the Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures.

> Currently positions in the Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures aggregate into the USD Malaysian Crude Palm Oil Calendar Futures for leg 1, and Bursa Malaysia Crude Palm Oil - Gas Oil Spread Futures for leg 2.
>
> The Exchanges are proposing that leg 2 of the contract aggregate into NYMEX's European Low Sulphur Gasoil Financial Futures contract (Commodity Code: GX). The aggregation ratio will be 40 Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures (25 metric tons per contract) to 1 European Low Sulphur Gasoil Financial Futures (1,000 metric tons per contract). Spot month limits for the European Low Sulphur Gasoil Financial Futures is 1,500 contracts and the single month/all

300 Vesey Street New York, NY 10282 T 212 299 2200 F 212 301 4645 christopher.bowen@cmegroup.com cmegroup.com

month position accountability levels are 7,000/7,000 contracts. The initial spot month limit effective date for the European Low Sulphur Gasoil Financial Futures is close of trading 3 business days prior to the last trading day of the contract.

Leg 1 position aggregation for the futures into the USD Malaysian Crude Palm Oil Calendar Futures will remain unchanged. Therefore, the removal of 3,000 single/all month limits and addition of 8,000 single/all month accountability levels for the USD Malaysian Crude Palm Oil Calendar Futures will also apply for leg 1 positions in the Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures.

Appendix A, attached under separate cover, provides the Rule Amendments in blackline format: amendments to the CME Table effective on trade date November 23, 2020, amendments to the CME Table effective close of business on December 31, 2021, and amendments to the NYMEX Table effective close of business on December 31, 2021.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act" or "CEA") and identified that the Rule Amendments may have some bearing on the following Core Principles:

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 and accountability levels for the Contracts as demonstrated in this submission are consistent with the Commission's guidance. With specific regard to transition from position limits to accountability levels for non-spot expirations, the Exchanges are implementing the Rule Amendments to align the Contracts' usage of these tools with CME's other financially-settled international agricultural products. Accountability in non-spot month contracts offers the appropriate level of market integrity protection and provides an equally robust, yet more flexible, alternative to position limits.

Availability of General Information: The Exchanges will make publicly available the details of the position accountability level increases by publishing a Market Surveillance Notice ("MSN") to the market. The MSN will also be available on CME Group's website.

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 e-mail CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:
Exhibit A: Amendments to the CME Table Effective November 23, 2020 and Effective Close of Business on December 31, 2021 and the NYMEX Table Effective Close of Business on December 31, 2021
Exhibit B: Cash Market Overview and Deliverable Supply Analysis of the CME Contracts

300 Vesey Street New York, NY 10282 T 212 299 2200 F 212 301 4645 christopher.bowen@cmegroup.com cmegroup.com

Exhibit A

CME and NYMEX Rulebooks

Chapter 5

("Trading Qualifications and Practices")

Position Limits, Position Accountability and Reportable Level Table

(Effective November 23, 2020 and Close of Business on December 31, 2021)

Exhibit B

Cash Market Overview and Deliverable Supply

Malaysian Crude Palm Oil Market

Palm oil is an edible vegetable oil derived from the pulp of the fruit of oil palms. It is naturally reddish in color due to high beta-carotene content, and should not be confused with palm kernel oil, which is derived from the kernel of the same fruit. Edible vegetable oils are versatile with multiple applications. They are crucial ingredients for cooking and producing processed food. They can also be found in personal care products such as soaps, fragrance and makeup. In addition, vegetable oils are used as feedstock for bio-fuel production.

Palm oil is one of the few highly saturated vegetables fats and is semi-solid at room temperature. This is an important component, as many U.S. and global food companies are moving away from partially hydrogenated trans fats. Palm oil is a reasonable replacement for trans fats and is also attractive to the commercial food industry due to its relative low cost.

According to USDA, global palm oil productions were more than 73 million metric tons in Marketing Year 2018/2019. Malaysian palm oil production was 20.8 million metric tons or over 28 percent of global production.

BMD FCPO futures are deliverable in Port Tank Installations approved by Bursa Malaysia at the ports of Kelang, Penang/Butterworth, and Pasir Gudang (Johor). According to Bursa Malaysia and the Malaysia Palm Oil Board (MPOB), crude palm oil production from the Peninsula Malaysia region of Malaysia predominately supplies these locations with oil, and that production in this region represents what can easily flow into the BMD FCPO delivery market. Additionally, although the Malaysia Palm Oil Board does not maintain quality statistics on crude palm oil production, they indicate that virtually all Peninsula Malaysia production meets the minimum delivery specifications of BMD FCPO futures; however, for this analysis it is assumed that only 90 percent of Peninsula Malaysia production meets BMD FCPO requirements.

Palm oil is produced from the fruit of palm trees. Palm trees continually bear fruit, so palm oil production is continuous. Malaysia is one of the world's major palm oil producers. Peninsula Malaysia palm oil production averaged 874,144 metric tons per monthly during the 36-month period from May 2017 to April 2020. This results in monthly deliverable supply of about 786,700 metric tons, assuming ten percent of the production does not meet BMD FCPO delivery specifications.

Table 1. Peninsula Malaysia Palm Oil Production
Units: Metric Tons
Source: Malaysian Palm Oil Board[1]

Month	Volume
May-17	865,067
Jun-17	760,050
Jul-17	986,516
Aug-17	980,336
Sep-17	970,187
Oct-17	1,084,658
Nov-17	1,044,627
Dec-17	995,491
Jan-18	825,492
Feb-18	710,331
Mar-18	860,997
Apr-18	823,079
May-18	790,445
Jun-18	682,549
Jul-18	791,104
Aug-18	840,749
Sep-18	956,540
Oct-18	1,010,782
Nov-18	953,750
Dec-18	951,628
Jan-19	954,941
Feb-19	841,299
Mar-19	926,649
Apr-19	924,797
May-19	935,857
Jun-19	835,706
Jul-19	976,132
Aug-19	974,620
Sep-19	933,365
Oct-19	887,030
Nov-19	757,580
Dec-19	635,812
Jan-20	566,464
Feb-20	707,897
Mar-20	791,982
Apr-20	934,675

[1] http://bepi.mpob.gov.my/index.php/en/production/production-2020/production-of-crude-oil-palm-2020.html

Average	**874,144**

Bursa Malaysia Crude Palm Oil Futures

The USD Malaysian Crude Palm Oil Calendar futures contract ("Calendar Futures Contract") cash settles to the Bursa Malaysia Derivatives Berhad (BMD) Crude Palm Oil (FCPO) futures contract. The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD and rounded to the nearest $0.25 using the Kuala Lumpur USD/MYR Reference Rate which appears on Thomson Reuters Screen MYRFIX02 Page at approximately 3:30 p.m. Kuala Lumpur time. For example, final settlement for a January contract month of the contract would be the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest $0.25 using the Kuala Lumpur USD/MYR Reference Rate.

The FCPO contract is a liquid, physically-delivered futures contract and is the same size (25 metric tons) as the CME USD Malaysian Crude Palm Oil Calendar Futures contract.

The Calendar Futures Contract prices the third-forward BMD FCPO contract, thus, the Calendar Futures Contract expires prior to the corresponding BMD FCPO contract becoming the spot contract.

Bursa Malaysia changed their settlement procedures for FCPO futures on December 3, 2012[2]. Prior to that date, daily settlement was based on the last traded price within the final one-minute interval prior to market close provided that the last traded price fell within the bid-ask spread. On December 3, 2012, Bursa Malaysia adopted a Volume Weighted Average Price (VWAP) settlement process, similar to the process used by the Exchange for settling grain and oilseed contracts listed on The Board of Trade of the City of Chicago, Inc. ("CBOT"), for all actively traded months including the third forward month underlying the proposed calendar future. Currently, settlement of the third forward BMD FCPO futures contract is a VWAP of trades executed on CME Globex between 17:59:00 – 18:00:00 Malaysia Time. The VWAP was implemented to prevent end-of-day price manipulation that can distort the daily settlement price

BMD FCPO contracts averaged 956,647 lots, or 23,916,175 metric tons per month during the 36-month period from May 2017 to April 2020.

Table 2. Monthly Volume of BMD Crude Palm Oil Futures
Units: number of contracts
Source: Bursa Malaysia[3]

Month	Volume
May-17	966,550
Jun-17	879,070
Jul-17	851,419
Aug-17	1,094,771
Sep-17	1,035,571
Oct-17	999,288

[2] https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5bb58dd75f36ca0c2caccbd4/5bb5a0b05f36ca0c2cacd938/files/circular-updates-271112-1.pdf?1562995715
[3] https://www.bursamalaysia.com/market_information/market_statistic/derivatives

Nov-17	999,029
Dec-17	881,475
Jan-18	1,010,493
Feb-18	678,709
Mar-18	1,026,249
Apr-18	841,954
May-18	765,264
Jun-18	914,149
Jul-18	1,035,720
Aug-18	852,195
Sep-18	731,180
Oct-18	871,091
Nov-18	965,666
Dec-18	778,687
Jan-19	671,019
Feb-19	582,039
Mar-19	943,407
Apr-19	864,153
May-19	804,623
Jun-19	727,134
Jul-19	998,734
Aug-19	998,582
Sep-19	879,947
Oct-19	1,018,802
Nov-19	1,212,871
Dec-19	1,002,585
Jan-20	1,260,693
Feb-20	1,436,959
Mar-20	1,661,570
Apr-20	1,197,634
Average	**956,647**

Because the USD Malaysian Crude Palm Oil Calendar Futures settles against the third-forward BMD FCPO contract, below are the monthly volume figures for only the third-forward month. Third forward month BMD FCPO contract averaged 409,302 lots, or 10,232,550 metric tons per month during the 36-month period from May 2017 to April 2020.

Table 3. Monthly Volume of Third Forward month BMD Crude Palm Oil Futures
Units: number of contracts
Source: Bursa Malaysia[4]

Month	Volume
May-17	454,477

[4] https://www.bursamalaysia.com/market_information/market_statistic/derivatives

Jun-17	354,429
Jul-17	375,891
Aug-17	501,663
Sep-17	455,323
Oct-17	425,322
Nov-17	435,570
Dec-17	352,905
Jan-18	458,377
Feb-18	307,258
Mar-18	448,869
Apr-18	356,095
May-18	294,292
Jun-18	326,873
Jul-18	387,313
Aug-18	348,128
Sep-18	313,412
Oct-18	376,888
Nov-18	412,215
Dec-18	338,556
Jan-19	291,669
Feb-19	270,605
Mar-19	393,256
Apr-19	382,675
May-19	371,398
Jun-19	345,237
Jul-19	416,863
Aug-19	449,444
Sep-19	372,303
Oct-19	478,218
Nov-19	530,241
Dec-19	424,458
Jan-20	521,259
Feb-20	573,728
Mar-20	677,528
Apr-20	512,121
Average	**409,302**

European Gasoil/Diesel

The European Gasoil and Diesel markets are traded in USD and cents per metric ton. European Low Sulphur Gasoil is so called because during the refining process it moves literally from being gas condensing on the chamber to a liquid. It sits in the middle of the range of densities in the barrel and includes transport

diesel, heating oil and other gasoil. Transport diesel oil is used to power diesel engines in ships, buses, trucks, trains, cars and other industrial machinery[5].

Gasoil and Diesel are inextricably linked with refiners able to distil a barrel of crude oil to make gasoil and further refine it produce low sulphur diesel. The sulphur content of European Gasoil is currently 0.1% sulphur (1000ppm) whereas the standard low sulphur diesel market is 0.001% sulphur (10ppm). Gasoil and Diesel is therefore differentiated via the relative sulphur levels of each product. These products are collectively known as middle distillates. The Middle Distillates account for about 25% of the yield from a barrel of crude oil (depending on the quality of the crude oil). Some crude grades are more heavily distillate based, meaning that they yield a higher proportion of middle distillate products. Gasoil is primarily a medium distillate, distilling between 180°C and 380°C.

The low sulphur gasoil markets are split between a barge and cargo market in Northwest Europe. However, the low sulphur gasoil which is traded on ICE Futures Europe is a barge delivered contract in the trading hub of Amsterdam-Rotterdam-Antwerp (ARA) corridor of the Netherlands and Belgium.

Eurostat publishes statistics for road diesel covering refinery production, imports, exports and stocks. The Exchange has focused on the production and imports for diesel and gasoil since both products can be blended to produce the required European specifications. This data is produced by Eurostat on a monthly basis. For northwest Europe we have used data for Belgium, France, Germany, Netherlands and Spain. For France and Spain, we have reduced the volumes by 50% for northwest Europe with the remaining 50% being considered as the Mediterranean which has been excluded from this analysis.

Refinery production (transformation output from refineries) of Diesel/Gasoil was 8.39 million tons per month on average over the three-year period up to and including December 2019. Imports over the same period into the same countries, was 4.69 million tons per month on average.

Imports of Diesel/Gasoil
Source: Eurostat
Units: Thousand metric tons

Imports	Belgium	Germany	Spain	France	Netherlands	Total
Jan-17	913	1,303	389	1,691	1,709	4,965
Feb-17	808	1,319	675	2,360	1,269	4,914
Mar-17	957	1,783	286	1,997	1,632	5,514
Apr-17	1,061	1,685	588	1,488	1,196	4,980
May-17	794	1,912	339	1,764	1,446	5,204
Jun-17	873	1,973	369	1,575	1,384	5,202
Jul-17	511	1,954	454	1,894	1,307	4,946
Aug-17	745	1,423	423	1,661	1,750	4,960
Sep-17	858	1,249	334	1,750	1,358	4,507
Oct-17	1,165	1,420	331	1,793	1,016	4,663
Nov-17	869	1,555	436	1,650	1,585	5,052
Dec-17	933	1,872	277	1,944	1,073	4,989
Jan-18	1,413	1,291	459	1,869	1,723	5,591
Feb-18	1,010	1,129	321	1,867	1,139	4,372
Mar-18	916	1,865	493	1,648	803	4,655

[5] IEA Energy Statistics Manual https://www.jodidata.org/_resources/files/downloads/manuals/jodi-oil-2nd-manual.pdf (page 31)

Apr-18	785	1,753	364	2,144	661	4,453
May-18	918	1,219	461	1,936	836	4,172
Jun-18	614	1,226	557	2,067	632	3,784
Jul-18	822	1,334	530	1,791	1,218	4,535
Aug-18	571	1,362	370	2,149	1,096	4,289
Sep-18	797	1,658	260	1,318	1,127	4,371
Oct-18	655	1,963	177	1,634	1,085	4,609
Nov-18	645	1,856	238	1,740	743	4,233
Dec-18	754	1,890	313	2,192	884	4,781
Jan-19	538	1,894	452	2,125	1,222	4,943
Feb-19	743	1,721	517	1,884	1,275	4,940
Mar-19	625	1,633	593	2,153	1,096	4,727
Apr-19	417	1,728	293	2,038	1,149	4,459
May-19	652	1,697	383	1,965	1,104	4,627
Jun-19	783	1,814	446	1,864	1,227	4,979
Jul-19	577	1,565	369	1,860	926	4,182
Aug-19	429	1,825	385	2,017	936	4,391
Sep-19	730	1,597	244	1,827	958	4,321
Oct-19	1,052	1,516	266	2,281	1,165	5,006
Nov-19	905	1,510	495	2,201	804	4,567
Dec-19	546	1,363	566	1,974	834	4,013
3-year average	**788**	**1,607**	**401**	**1,892**	**1,149**	**4,691**

***French and Spanish data reduced by 50%**

Refinery Production of Diesel/Gasoil
Source: Eurostat
Units: Thousand metric tons

Production	Belgium	Germany	Spain	France	Netherlands	Total
Jan-17	1,078	3,888	2,284	2,197	1,547	8,754
Feb-17	901	3,274	1,969	1,871	1,450	7,545
Mar-17	1,067	3,586	2,347	2,082	1,717	8,585
Apr-17	958	3,575	2,329	2,196	1,703	8,499
May-17	1,032	3,383	2,228	2,059	1,751	8,310
Jun-17	1,059	3,213	2,175	2,064	1,705	8,097
Jul-17	1,179	3,556	2,452	2,305	1,852	8,966
Aug-17	1,169	3,790	2,353	2,380	1,516	8,842
Sep-17	1,122	3,765	2,312	2,208	1,535	8,682
Oct-17	1,170	3,804	2,245	2,284	1,560	8,799
Nov-17	980	3,692	2,045	2,271	1,365	8,195
Dec-17	1,123	3,907	2,404	2,376	1,545	8,965
Jan-18	1,116	3,760	2,319	2,267	1,717	8,886
Feb-18	1,043	3,339	1,988	2,043	1,533	7,931
Mar-18	963	3,477	2,109	1,954	1,512	7,984
Apr-18	920	3,379	2,272	1,865	1,637	8,005

May-18	1,052	3,527	2,347	1,513	1,491	8,000
Jun-18	1,081	3,543	2,031	1,704	1,420	7,912
Jul-18	1,171	3,679	2,161	2,173	1,559	8,576
Aug-18	1,259	3,589	2,483	2,334	1,587	8,844
Sep-18	1,169	2,857	2,377	2,219	1,431	7,755
Oct-18	1,188	2,898	2,456	2,302	1,437	7,902
Nov-18	1,239	3,194	2,289	2,000	1,399	7,977
Dec-18	1,320	3,502	2,335	2,104	1,719	8,761
Jan-19	1,337	3,729	2,305	2,169	1,603	8,906
Feb-19	1,177	3,141	1,960	2,034	1,476	7,791
Mar-19	1,184	3,425	2,335	1,970	1,865	8,626
Apr-19	1,252	3,378	2,416	1,913	1,618	8,412
May-19	1,241	3,211	2,337	1,892	1,820	8,387
Jun-19	1,164	3,195	2,091	1,651	1,660	7,890
Jul-19	1,221	3,634	2,205	2,067	1,706	8,697
Aug-19	1,245	3,526	2,408	2,153	1,814	8,866
Sep-19	1,214	3,417	2,215	1,747	1,689	8,301
Oct-19	1,178	3,684	2,272	1,561	1,784	8,563
Nov-19	1,208	3,471	2,074	1,475	1,696	8,150
Dec-19	1,275	3,804	2,395	1,622	1,818	8,905
3-year average	**1,140**	**3,494**	**2,259**	**2,028**	**1,618**	**8,396**

***French and Spanish data reduced by 50%**

The ICE Low Sulphur Gasoil market is a low sulphur diesel market with a sulphur specification of 10ppm or 0.001% sulphur. The delivery basis for the ICE Gasoil futures contract is the barge market in the Amsterdam-Rotterdam-Antwerp (ARA) corridor in the Netherlands and Belgium. Due to the location of the storage facilities and refining in the region, volumes can be sold into the inland market via the barge river network with many of the refineries located along the Rhine connected via waterway. Therefore, the Exchange has used volumes for Belgium, Germany, France (reduced by 50%), the Netherlands and Spain (reduced by 50%) in its analysis.

Analysis of Deliverable Supply

Malaysian Crude Palm Oil Market

The Commission defines deliverable supply as the quantity of the commodity meeting a derivative contract's delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce.

The Exchange based its analysis of deliverable supply on crude palm oil production in peninsula Malaysia. Additionally, the Exchange determined not to adjust the deliverable supply estimates based on the spot availability because spot market liquidity is not restrictive. In addition, according to the Malaysia Palm Oil Board, long-term agreements are extremely rare in Malaysian crude palm oil markets, and they do not believe any stocks would be precluded from delivery because of long-term agreements. There is also no evidence that ownership of stocks and/or storage would negatively impact deliverable supply; the market appears to be competitive with multiple market participants. For example, here is a list of firms approved by Bursa Malaysia to deliver on their FCPO futures contract. Please note that this is just a partial list of total market participants.

https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/assets/5bb57de65f36ca0c341f044d/List_of_approved_PTIs_for_CPO_delivery_and_CPKO_delivery.pdf

We have used the data for the period May 2017 - April 2020. Based on the production data by the Malaysia Palm Oil Board, the deliverable supply of crude palm oil in peninsula Malaysia is 786,700 metric tons (31,468 contract equivalents). The current spot month limits for the USD Malaysian Crude Palm Oil Calendar Futures are 3,000 lots, or 9.5% of the deliverable supply.

FX Conversion

The USD Malaysian Crude Palm Oil Calendar futures contract ("Calendar Futures Contract) cash settles to the BMD FCPO futures price converted into USD.

Bank for International Settlement (BIS) estimates the average daily turnover of FX activity volume in 2019 was about 9 billion USD.

Over a month with 20 trading days, the typical volume transacted in the FX market would be $9 billion[6] * 20 = $180 billion. Current BMD FCPO prices are less than $650 per ton. Someone holding the recommended spot position limit of 3,000 contracts (75,000 metric tons) at this price would have exposure of $48.8 million (75,000 * $650). This exposure represents about 1/30th of one percent of the estimated MYR/USD FX market during a final month of clearing.

European Low Sulphur Gasoil

For the European low sulphur gasoil, the exchange has used gasoil/diesel production and import volumes as produced by Eurostat. For northwest Europe, we have defined this as Belgium, France, Germany, the Netherlands and Spain. For France and Spain, we have reduced the volumes by 50% to reflect northwest Europe. The remaining 50% of the volumes have been excluded from this analysis. Diesel and gasoil are fungible products with production and imports being blended to specific grades and qualities to meet EU standards. Therefore, the Exchange has used the combined diesel and gasoil as the basis for determining the deliverable supply. Based on the data for the period January 2017 to December 2019, total imports were 4.69 million tons and refinery production was a further 8.3 million tons. Therefore, a total of 12.99 million tons has been calculated as the total deliverable supply. In a typical term agreement in the cash

[6] https://www.bis.org/publ/qtrpdf/r_qt1912h.htm

market there is a high degree of flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply.

Positions in the Bursa Malaysia Crude Palm Oil - Gasoil Spread Futures will aggregate into the USD Malaysian Crude Palm Oil Calendar Futures (commodity code CPO) and the European Low Sulphur Gasoil Financial Futures (commodity code GX). The current spot month position limits of 3,000 contracts for the USD Malaysian Crude Palm Oil Calendar Futures is about 9.5% of the deliverable supply. Based on the deliverable supply of 12.99 million tons per month for the European low sulphur gasoil or 12,990 contract equivalents (based on 1,000mt), the spot month limit of 1,500 contracts for the European Low Sulphur Gasoil Financial Futures equates to 11.5% of the monthly deliverable supply.