

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-464

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): 11/15/18 Filing Description: Notice of Emergency Action – Modifications to NYMEX Rule 589. ("Special Price Fluctuation Limits") for Henry Hub Natural Gas Futures Contract and Seven (7) Associated Natural Gas Contracts.

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.



November 15, 2018

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)(6) Emergency Rule Certification.
Notification of Emergency Action – Amendments to NYMEX Rule 589. (“Special Price
Fluctuation Limits”) for Henry Hub Natural Gas Futures and Seven (7) Associated
Natural Gas Contracts.
CME Submission No. 18-464**

Dear Mr. Kirkpatrick:

Pursuant to New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) Rule 579.A. (“Global Command Center – GCC Authority”), the Exchange is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that the CME Group Global Command Center (“GCC”) took emergency action on November 14, 2018, effective for trade date November 15, 2018. The emergency action was taken in light of recent natural gas price movements and is intended to ensure fair and orderly trading in all these products which are subject to NYMEX Rule 589. (“Special Price Fluctuation Limits”). The emergency action shall apply to the the Henry Hub Natural Gas Futures and seven (7) associated natural gas contracts as noted in Exhibit B (collectively, the “Contracts”). Specifically, GCC amended the special price fluctuation limits of the Contracts from 30 cents to 50 cents.

NYMEX Rule 589. applies initial price fluctuation limits above or below the previous day’s settlement price for each futures contract month, and is termed the “first special price fluctuation limit level.” There are three (3) additional levels that may be triggered based on parameters set forth in NYMEX Rule 589.B. (“Triggering Events and Temporary Trading Halts”). For your convenience, a copy of NYMEX Rule 589. appears in Exhibit A. The applicable levels are set forth in the Special Price Fluctuation Limits and Daily Price Limits Table (“Table”) in the Interpretations Section at the end of Chapter 5 (“Trading Qualifications and Practices”) of the NYMEX Rulebook. The Table appears in Exhibit B in blackline format.

Under separate cover, the Exchange will provide the CFTC with notification of self-certification of amendments to the Table relating to the Contracts.

The marketplace was notified of the emergency action via the issuance of a Notice of Emergency Action (“Notice”) and CME Group Special Executive Report S-8280 (“S-8280”). A copy of the Notice appears in Exhibit C.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or the “Act”) and identified that the emergency action may have some bearing on the following Core Principles:

Emergency Authority: The action by the GCC constitutes an emergency action taken in accordance with the provisions of NYMEX Rule 579, and requires prompt notice to be provided to the CFTC under both Commission Regulations and NYMEX Rule 579.

Availability of General Information: The emergency action will be communicated to the marketplace via the issuance of a Notice of Emergency Action (“Notice”) and S-8280. The Notice and S-8280 will be distributed via email to subscribers of these publications in addition to being posted publicly on the CME Group website.

The Exchange certifies that the emergency action to modify the special price fluctuation limit levels applicable to the Contracts complies with the Act and regulations thereunder. There were no substantive 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>.

If you have any questions regarding this submission, please contact me at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – NYMEX Rule 589.
Exhibit B – Special Price Fluctuation Limits Table
Exhibit C – Notice of Emergency Action

Exhibit A

NYMEX Rulebook

Chapter 5

("Trading Qualifications and Practices")

589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits applicable to those contracts with special price fluctuation limits are set forth in the Special Price Fluctuation Limits and Daily Price Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

589.A. Initial Price Fluctuation Limits for All Contract Months

At the commencement of each trading day, there shall be initial price fluctuation limits in effect for each futures contract month of the primary futures contract (as identified in the Table) above or below the previous day's settlement price for such contract month set at the first special price fluctuation limit level as provided in the Table.

589.B. Triggering Events and Temporary Trading Halts

1. First Triggering Event and Temporary Trading Halt

If the lead contract month (as identified by the Exchange) of the primary futures contract is bid or offered via Globex at the upper or lower price fluctuation limit at the first special price fluctuation limit level, as applicable, it will be considered a triggering event that will begin a two (2) minute monitoring period in the lead contract month. If, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is not bid or offered at the applicable special price fluctuation limit, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. If, however, at the end of the two (2) minute monitoring period, the lead contract month of the primary futures contract is bid or offered at the applicable special price fluctuation limit, a two (2) minute temporary trading halt will commence in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract as provided in the Table. In addition, trading in any associated product that is an option related to the primary futures contract or in an option contract related to any other associated product of the primary futures contract that may be available for trading on Globex or on the trading floor shall be subject to a coordinated temporary trading halt.

2. Expansion of Limits Following Temporary Trading Halt

Following the end of a temporary trading halt, the affected markets shall re-open simultaneously in all contract months of the primary futures contract and in all contract months of associated products of the primary futures contract. When trading resumes, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. In each instance in which a triggering event occurs, a two (2) minute monitoring period will commence as provided in Section B.1. of this Rule. In each instance, the special price fluctuation limits shall be expanded by an additional increment above and below the previous day's settlement price for all contract months of the primary futures contract and all contract months of associated products of the primary futures contract as provided in the Table. Following the fourth triggering event on a trading day, there shall be no further special price fluctuation limits.

3. Metals Contracts

The GCC shall designate a lead primary contract month for purposes of this Rule. Additionally, an expiring contract month of a primary futures contract shall have no special price fluctuation limits from the contract's first position day through its last delivery day. On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minutes preceding the end of the primary futures contract's settlement price determination period. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the conclusion of the five (5) minute period, at which time a monitoring period, temporary trading halt or special price fluctuation limit expansion, as applicable, will occur. On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minute period preceding the close of trading. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the close of trading.

4. Energy Contracts

The GCC shall designate a lead primary contract month for purposes of this Rule. Additionally, there shall be no special price fluctuation limits on the expiration day of an expiring primary futures contract month. On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minutes preceding the end of the primary futures contract's settlement price determination period. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the conclusion of the five (5) minute period, at which time a monitoring period, temporary trading halt or special price fluctuation limit expansion, as applicable, will occur. On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minute period preceding the close of trading. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the close of trading.

Exhibit B

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Rule 589.

Special Price Fluctuation Limits and Daily Price Limits Table

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

Product	Rulebook Chapter	Commodity Code	Primary/Associated	Associated With	Base in Real Economic Value	Level 1	Level 2	Level 3	Level 4	Level 5
Henry Hub Natural Gas Futures	220	NG	Primary	Primary	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Last Day Physically-Delivered Futures	1156	MNG	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
E-mini Natural Gas Futures	402	QG	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Look-Alike Penultimate Financial Futures	824	HP	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Penultimate Financial Futures	529	NP	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Look-Alike Last Day Financial Futures	823	HH	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Last Day Financial Futures	508	NN	Associated	NG	\$0.30 <u>\$0.50</u>	<u>300</u> <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit
Henry Hub Natural Gas Last Day Financial Futures (Daily Units)	508	NNE	Associated	NG	\$0.30 <u>\$0.50</u>	30 <u>500</u>	<u>600</u> <u>1000</u>	<u>900</u> <u>1500</u>	<u>1200</u> <u>2000</u>	No Limit

Exhibit C

NEW YORK MERCANTILE EXCHANGE NOTICE OF EMERGENCY ACTION

FILE NO.: NYMEX 18-0005

SUBJECT: Modification to Special Price Fluctuation Limits Applicable to NYMEX Henry Hub Natural Gas Futures Contract and Associated Natural Gas Contracts

APPLICABLE NYMEX RULE: 579. GLOBAL COMMAND CENTER (in part)

A. GCC Authority

The GCC has the authority to take any action deemed appropriate to preserve market integrity in CME Group markets. Such actions include, but are not limited to, the halting of trading, modifying risk-mitigating parameters including price bands, velocity logic and special price fluctuation limits as described in Rule 589, restricting customer access to Globex or any other actions deemed to be in the best interest of the Exchange. In the event any action taken pursuant to this Rule is in response to an emergency as defined in CFTC Regulation 40.1(h), the CFTC shall be notified of the emergency action in accordance with CFTC Regulations.

589. SPECIAL PRICE FLUCTUATION LIMITS (link below)

<https://www.cmegroup.com/content/dam/cmegroup/rulebook/NYMEX/1/5.pdf>

EMERGENCY ACTION: On November 14, 2018, the Global Command Center (“GCC”) took emergency action by modifying the special price fluctuation limits applicable to the NYMEX Henry Hub Natural Gas futures contract and seven (7) associated Natural Gas contracts (“the Contracts”), as listed below, from \$0.30 to \$0.50 beginning on trade date November 15, 2018. This action is based on recent natural gas price movements and is intended to ensure fair and orderly trading in the Contracts.

Product	RULEBOOK CHAPTER	COMMODITY CODE
Henry Hub Natural Gas Futures	220	NG
Henry Hub Natural Gas Last Day Physically-Delivered Futures	1156	MNG
E-mini Natural Gas Futures	402	QG
Henry Hub Natural Gas Look-Alike Penultimate Financial Futures	824	HP
Henry Hub Natural Gas Penultimate Financial Futures	529	NP
Henry Hub Natural Gas Look-Alike Last Day Financial Futures	823	HH
Henry Hub Natural Gas Last Day Financial Futures	508	NN
Henry Hub Natural Gas Last Day Financial Futures (Daily Units)	508	NNE

In the good faith exercise of its sole discretion, the GCC determined that an emergency exists, and that emergency action is warranted.

EFFECTIVE DATE: November 14, 2018