

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-477

Organization: Commodity Exchange, Inc. ("COMEX")

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/19/15 **Filing Description:** Listing of Lead Futures Contract, its Terms and Conditions, and Analysis of the Underlying Market

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: Lead Futures

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:

November 19, 2015

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 the Lead Futures Contract.
COMEX Submission No. 15-477**

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. ("COMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the initial listing of the Lead Futures contract (the "Contract") for trading on CME Globex and for submission for clearing on CME ClearPort, effective on Sunday, November 22, 2015 for trade date Monday, November 23, 2015.

The Contract specifications are as follows:

| | |
|---|---|
| Rule Chapter Number and Contract Title | Chapter 187 Lead Futures |
| Commodity Code | LED |
| Contract Size | 25 metric tons |
| First Listed and Delivery Month | February 2016 |
| Listing Schedule (all venues) | 12 consecutive months |
| Termination of Trading | The third last business day of the delivery month |
| Minimum Price Fluctuation | \$0.50 per metric ton |
| Value per Tick | \$12.50 |
| CME Globex Match Algorithm | First In First Out (FIFO) |
| Minimum Block Threshold* | 5 contracts |

***Please note the Exchange is separately self-certifying block trading on the Contract with a minimum threshold of five (5) contracts via COMEX Submission No. 15-514 dated November 19, 2015, to be effective on Sunday, December 5, 2015 for trade date Monday, December 6, 2015.**

Trading and Clearing Hours:

CME Globex and CME ClearPort: Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with a 60-minute break each day beginning at 5:00 p.m. (4:00 p.m. Chicago Time/CT).

Trading and Clearing Fees:

| Exchange Fees | Pit** | CME Globex | CME ClearPort | Agency Cross |
|---|----------------------|-------------------------|----------------------|---------------------|
| Member Day Rate | 0.70 | 0.55 | | |
| Member Overnight Rate | 0.70 (EFR/EFP 0.85) | 0.70 | 0.70 (EFR/EFP 0.85) | 0.70 |
| Cross Division Rate | 0.95 (EFR/EFP 1.20) | 0.95 | | |
| Non-Member Rate | 1.45 | 1.45 | 1.45 | 1.45 |
| International Incentive Program (IIP) and International Volume Incentive Program (IVIP) | | 0.88 | | |
| Other NYX/CMX Processing Surcharges | Member | Non-Member | | |
| Futures from Exercise/Assignment | 0.70 | 1.45 | | |
| Other NYX/CMX Processing Surcharges | House Account | Customer Account | | |
| Delivery Notice | 1.00 | 1.00 | | |
| Other NYX/CMX Processing Surcharges | Rate | | | |
| EFR Surcharge | 2.50 | | | |
| Block Surcharge | 0.10 | | | |
| Facilitation Fee | 0.50 | | | |
| Give-up Surcharge | 0.05 | | | |
| Position Transfer/Position Adjustment | 0.10 | | | |

**Effective as of the close of trading on July 2, 2015, COMEX closed its futures pits for open outcry trading. Brokers will still be able to submit Block Trades, EFPs, and EFRs through Front-End Clearing System (FEC); these trades will be assessed Pit Exchange Fees in addition to any surcharges.

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the Contract into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the COMEX Rulebook in relation to the listing of the Contract. The terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level and aggregation allocation for the Contract (See Appendix B, attached under separate cover).

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:

- Prevention of Market Disruption: Trading in this Contract will be subject to the COMEX rules (“Rulebook”) Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the new product will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department.
- Contracts Not Readily Subject to Manipulation: This Contract is not readily subject to manipulation based on the ample sources of deliverable supply that insure a smooth and orderly delivery process.
- Compliance with Rules: Trading in this Contract will be subject to the rules in Rulebook Chapter 4 which includes 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 of the Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, activity in this new product 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.
- Position Limitations or Accountability: The spot month speculative position limits for the Contract is set to 75 contracts representative of 23.81% of deliverable supply.
- Availability of General Information: The Exchange will publish information on the Contract’s specification on its website, together with daily trading volume, open interest and price information.
- Daily Publication of Trading Information: Trading volume, open interest and price information will be published daily on the Exchange’s website and via quote vendors.
- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by the Clearing House of the Chicago Mercantile Exchange Inc. which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Execution of Transactions: The Contract will be listed for trading on CME Globex. The CME Globex platform provides a transparent, open, and efficient mechanism to electronically execute trades on screen
- Trade Information: All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- Protection of Market Participants: Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange’s competitive trading venues and will be applicable to transactions in this product.
- 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 this contract 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 this product are identified.
- Dispute Resolution: Disputes with respect to trading in this 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.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the 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: Appendix A: COMEX Rulebook Chapter
Appendix B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX/COMEX Rulebook (attached under separate cover)
Appendix C: COMEX Rule 588.H. – (“Globex Non-reviewable Ranges”)
Appendix D: Cash Market Overview and Analysis of Deliverable Supply

APPENDIX A

COMEX RULEBOOK

Chapter 187 Lead Futures

187100. SCOPE OF CHAPTER

This chapter is limited in application to physically delivered Lead futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange. The provisions of these rules shall apply to all lead bought or sold for future delivery on the Exchange.

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively. Terms not specifically defined herein shall be defined in Chapter 7. For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

187101. CONTRACT SPECIFICATIONS

The contract for delivery on futures contract shall be twenty five metric tons (25 MT) of lead with a weight tolerance of 2% either higher or lower and must be an approved Brand. Lead meeting all of the following specifications shall be deliverable in satisfaction of futures contract delivery obligations under this rule:

Eligible lead must be refined lead (minimum 99.970% purity) and meeting the chemical composition of either ASTM B29-03 (2009 Standard entitled "Standard Specification for Refined Lead (permitted grades: 99.97% and 99.995%), BS EN 12659:1999 Standard entitled "Lead and Lead Alloys-Lead (permitted grades: Material numbers PB970R, PB985R and PB990R), or GB/T 469-2005 Standard entitled "Lead Ingots" (permitted grades: 99.970%, 99.985%, 99.990% and 99.994%). Lead being placed on warrant must be accompanied by a Certificate of Analysis. The Certificate of Analysis shall indicate the brand and the chemical composition of the lead. If the aforementioned standards adopt a change in the standard specifications for the lead and such change is adopted and confirmed by the Exchange, lead conforming to the change so adopted, as well as lead conforming to the previous specifications if placed in a Warehouse prior to the date of the adoption, shall be deliverable against the Lead Futures contract. Each warrant shall consist of lead of one brand and shall consist of ingots of one shape and size unless different shapes and sizes are needed for bundle stability. Each bundle shall not exceed 1.5 metric tons. The brand and grade reference must be marked on each bundle. The cast number must be marked on the bundle.

The lead must be weighed by an approved Weighmaster. A Weight Certificate shall be issued by the approved Weighmaster.

Warehouse is responsible to determine the eligibility of the metal and to meet the specification for delivery in fulfillment of a Lead futures contract. Upon request from the Warehouse, the seller's clearing member shall provide verification that the lead is of an approved Brand meeting the specification of the contract.

Any insurance coverage for Registered lead shall be the responsibility of the warrant holder.

187102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

187102.A.Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

187102.B.Trading Unit

The contract unit shall be twenty five (25) metric tons.

187102.C.Price Increments

Prices shall be quoted in multiples of fifty cents (\$0.50) per metric ton. Price shall be quoted in dollars and cents per metric tons.

187102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

187102.E. Termination of Trading

No trades in Lead futures deliverable in the current month shall be made after the third last business day of that month. Any contracts remaining open after the last trade date must be either:

(A) Settled by delivery which shall take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but no later than the last business day of the delivery month; or

(B) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 12:00 p.m. on the business day following termination of trading in the expired futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

187103-107. [RESERVED]

187108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or document or instrument delivered pursuant to these Rules.

APPENDIX B

**Position Limit, Position Accountability, and Reportable Level Table
in Chapter 5 of the COMEX Rulebook**

(Attached under separate cover)

APPENDIX C

COMEX Rule 588.H. (“Globex Non-Reviewable Ranges”)

(Additions are underscored)

| Instrument Name | Globex Symbol | Globex Non-Reviewable Ranges (NRR) | NRR: Globex Format | NRR: Ticks |
|------------------------|----------------------|---|---------------------------|-------------------|
| <u>Lead Futures</u> | <u>LED</u> | <u>\$10.00 per metric ton</u> | <u>1000</u> | <u>20</u> |

APPENDIX D

Cash Market Overview and Analysis of Deliverable Supply

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is self-certifying the listing of a Lead Futures contract (Rule Chapter 187; Commodity Code LED) for trading on CME Globex and for clearing through CME ClearPort.

| Contract | Commodity Code | Rule Chapter |
|--------------|----------------|--------------|
| Lead Futures | LED | 187 |

Lead is a soft, ductile, bluish-white dense metallic element extracted chiefly from galena and found in ore with silver, copper and zinc. Lead is mined in many countries worldwide with over 50% concentrated in China.

Production and Consumption

Global lead mine production in 2014 was 5.46 million metric tons, relatively unchanged from that of 2013¹ which was 5.49 million metric tons. Mine production was led by China and Australia as seen in Table 1. While it has a high economic value, lead is relatively economical to produce. While the primary production of lead is mined from ore, secondary production where it is recovered from recycled products or from residues arising from the production process accounts for more than half of all the lead produced globally. In the United States, more than 80% of lead comes from secondary production and more than 60% in Europe. This is possible because most lead is used in readily recyclable applications.

Table 1. World Mine Production by Country (in thousand metric tons)

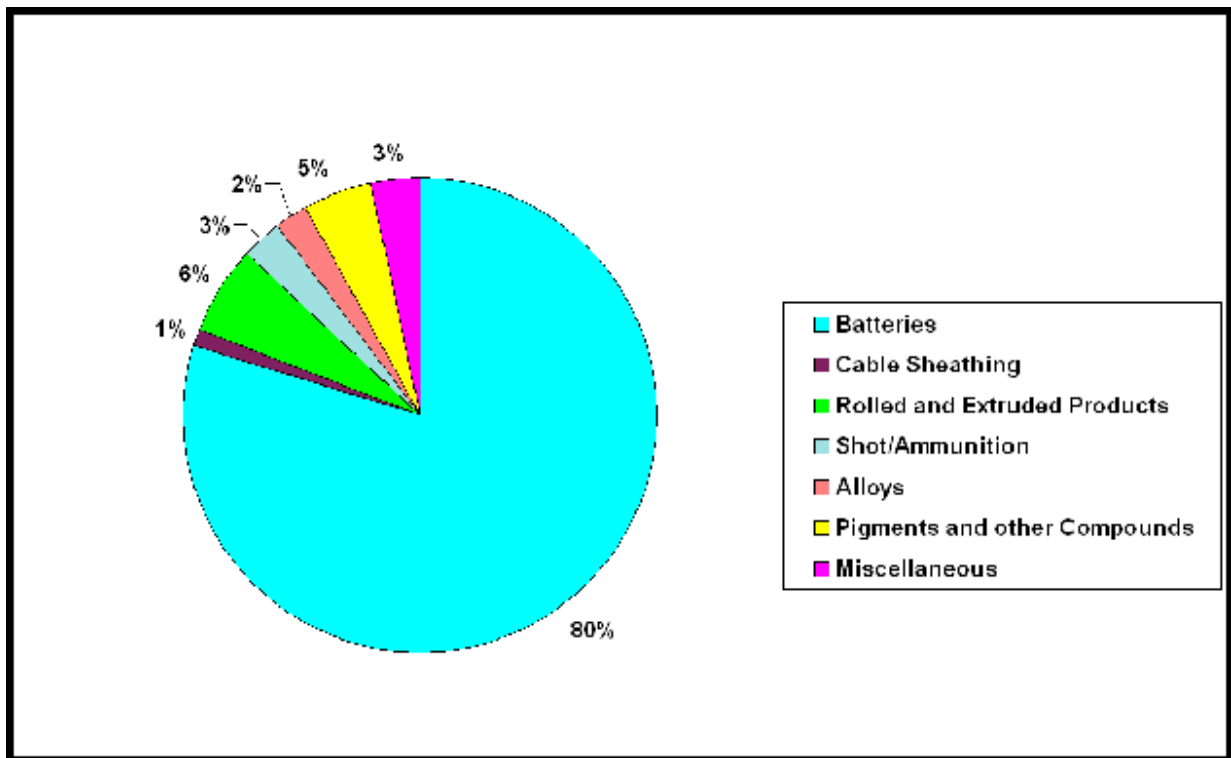
| World Mine Production | | |
|-----------------------|-------|-------------|
| Country | 2013 | 2014 (est.) |
| United States | 340 | 355 |
| Australia | 711 | 720 |
| Bolivia | 82 | 75 |
| Canada | 20 | 4 |
| China | 2,900 | 2,950 |
| India | 106 | 110 |

¹ United States Geological Survey <http://minerals.usgs.gov/minerals/pubs/commodity/lead/>

| | | |
|-----------------|--------------|--------------|
| Ireland | 51 | 40 |
| Mexico | 210 | 220 |
| Peru | 266 | 270 |
| Poland | 90 | 40 |
| Russia | 195 | 195 |
| South Africa | 53 | 27 |
| Sweden | 62 | 62 |
| Turkey | 78 | 65 |
| Other Countries | 324 | 324 |
| Total | 5,490 | 5,460 |

Source: USGS

Chart 1. End Uses of Lead



Source: International Lead and Study Group

As indicated in Chart 1 above, lead is most widely used worldwide in the production of batteries, representing 80% of all end uses of lead. Lead acid batteries are the mainstay of storage technologies for renewable energy sources and as back-up emergency power supply in the event of power failures in

hospitals, telephone exchanges, mobile phone networks, public buildings and for emergency services².

In the United States, the value of recoverable mined lead in 2014 was approximately \$827 million. Six lead mines in Missouri and four mines in Idaho and Alaska accounted for all domestic mine production. The lead-acid battery industry accounted for about 90% of the reported U.S. lead consumption in 2014³. Lead-acid batteries were used primarily as starting-lighting-ignition (SLI) batteries for cars and trucks and as industrial type batteries for stand-by power for computers and telecommunications networks. During the first nine months of 2014, 93.5 million lead-acid batteries were shipped by North American producers, a slight increase year over year. Global mine production of lead was estimated to be 5.5 million tons in 2014 with production increases in China, Australia, and the United States. In 2014, about 1.15 million tons of secondary lead was produced which is equivalent to 70% of apparent domestic lead consumption⁴.

² International Lead And Zinc Study Group <http://www.ilzsg.org/static/enduses.aspx?from=4>

³ United States Geological Survey <http://minerals.usgs.gov/minerals/pubs/commodity/lead/>

⁴ United States Geological Survey <http://minerals.usgs.gov/minerals/pubs/commodity/lead/>

ANALYSIS OF DELIVERABLE SUPPLY

In estimating deliverable supply for Lead Futures, the Exchange relied on an acceptable practice for establishing deliverable supply. This practice considers typical warehouse stocks that could reasonably be considered to be reliably available for delivery. In this regard, Appendix C to part 38 of the Commission's regulations states that:

In general, the term "deliverable supply" means 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. Typically, deliverable supply reflects the quantity of the commodity that potentially could be made available for sale on a spot basis at current prices at the contract's delivery points. For a non-financial physical-delivery commodity contract, this estimate might represent product which is in storage at the delivery point(s) specified in the futures contract or can be moved economically into or through such points consistent with the delivery procedures set forth in the contract and which is available for sale on a spot basis within the marketing channels that normally are tributary to the delivery point(s).

Stock Reporting Requirements

Pursuant to the rules of the Exchange, effective with the listing of the Lead Futures contract on November 23, 2015, each lead warehouse will be required to report to the Exchange the level of Exchange grade inventory on a daily basis. The inventory shall include eligible and registered lead. Eligible lead shall mean all such lead that is acceptable for delivery against the Lead Futures contract (i.e., which meets the specifications and approved brands of the Lead Futures contract) for which a warrant has not been issued. Registered lead shall mean eligible lead for which a warrant has been issued. Specifically, on a daily basis, each warehouse will be required to provide the Exchange (1) the total quantity of registered lead stored at the warehouse, (2) the total quantity of eligible lead stored at the warehouse, and (3) the quantity of eligible lead and registered lead received and shipped from the warehouse. As the Lead

Futures contract is not yet listed on the Exchange, please note that there currently is no lead on warrant at Exchange approved warehouses.

The lead inventory levels at all Exchange-approved warehouses will be made publicly available daily on the Exchange website⁵. As with all other Exchange-listed physically delivered metal contracts, the rules of the Exchange require an independent inventory audit to be performed annually to provide a comprehensive reconciliation of stocks stored at warehouses with records maintained by both the Exchange and the warehouses⁶.

Exchange Warehouses for Lead

To date, and pending the listing of the Lead Futures contract, the Exchange approved the following warehouses for the storage and issuance of Exchange warrants for lead: C. Steinweg (Baltimore, Rotterdam, Bilbao), Pacorini Metals (Baltimore, Owensboro, New Orleans), Henry Bath (Chicago, New Orleans), and Worldwide Warehouse Solutions (Detroit, Chicago, Baltimore).

Analysis of Deliverable Supply

The Exchange believes at this time that it is most reliable to base its estimates of deliverable supply of lead on eligible stock currently stored at Exchange approved lead warehouses.

Table 2 below provides the current lead inventory levels at Exchange approved warehouses which currently have lead meeting Exchange specifications in store.

As of November 19, 2015, total lead inventory at Exchange approved warehouses is equal to 7,873 metric tons or 315 futures equivalent contracts (contract size 25 metric tons). Accordingly, the Exchange estimates deliverable supply at **315** futures equivalent contracts. Based on the foregoing, the Exchange set the spot month limit for its Lead Futures contract at **75** futures equivalent contracts which represents **23.81%** of the estimated deliverable supply.

In this analysis of deliverable supply, the Exchange does not account for lead stock meeting all specifications of the Lead Futures contract that is stored at warehouses other than those approved by the

⁵ <http://www.cmegroup.com/market-data/reports/registrar-reports.html>

⁶ <http://www.cmegroup.com/rulebook/NYMEX/1/7.pdf>

Exchange and which can be moved economically into such Exchange-approved warehouses consistent with Appendix C of Part 38. The Exchange may, at a later date, decide to estimate those stocks and include them in future deliverable supply estimates.

Table 2. Inventory at Exchange Approved Warehouses

| Warehouse | Location | | Lead Inventory at Exchange-approved Warehouses As of November 19, 2015 (in metric tons) | Lead Inventory at Exchange-approved Warehouses As of November 19, 2015 (in futures contract equivalents) |
|------------------------|------------------|--|--|---|
| C. Steinweg | Baltimore | | 2,127 MT | 85 |
| Henry Bath | Chicago | | 225 MT | 9 |
| C. Steinweg | Rotterdam | | 3,521 MT | 141 |
| Pacorini Metals | Baltimore | | 2,000 MT | 80 |
| TOTAL | | | 7,873 MT | 315 |