

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-434

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): 12/01/2017 **Filing Description:** Amendments to the Freight Route TD3 (Baltic) Average Price Option 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: Freight Route TD3 (Baltic) Average Price Options.

Rule Numbers: 949.

December 1, 2017

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. Notification Regarding the Amendments to the Freight Route TD3 (Baltic) Average Price Option Contract.
NYMEX Submission No. 17-434**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the listing schedule and title of the Freight Route TD3 (Baltic) Average Price Option contract (Rulebook Chapter 949, Commodity Code: TDT) (the “Contract”) for trading on the CME Globex electronic platform, and for submission for clearing via CME ClearPort as noted in the table below (collectively, the “Rule Amendments”). The amended listing schedule shall become effective upon certification of this submission (Sunday, December 17, 2017 for trade date Monday, December 18, 2017) and the contract title shall become effective on trade date Tuesday, January 2, 2018.

Current Contract Title	Amended Contract Title (effective trade date January 2, 2018)	NYMEX Rulebook Chapter	Commodity Code	Current Listing Schedule (CME Globex and CME ClearPort)	Amended Listing Schedule (CME Globex and CME ClearPort) (effective trade date December 18, 2017)
Freight Route TD3 (Baltic) Average Price Option	Freight Route TD3C (Baltic) Average Price Option	949	TDT	Monthly contracts listed up to and including December 2017.	Monthly contracts listed for the current year and the next calendar year. Monthly contracts for a new calendar year will be listed following the termination of trading in the December contract of the current year.

The Exchange previously certified with the Commission the suspension of listing additional contract months of the Contract and that the last listed contract month for the Contract would be December 2017 (see [NYMEX Submission No. 15-484](#) dated December 21, 2015).

Effective on Monday, January 1, 2018 for trade date Tuesday, January 2, 2018, NYMEX will amend the title of the Contract from Freight Route TD3 (Baltic) Average Price Option to Freight Route **TD3C** (Baltic) Average Price Option as noted above.

By way of background, the current Baltic TD3 route is based on imports into Japan. The Baltic Exchange (“Baltic”) introduced an equivalent route named TD3C to reflect the significant increase in imports into China and the increased importance of the destination ports in China. Baltic advised the market that derivatives trades with expiries of January 2018 and later should be based on the new TD3C route. The TD3C route is assessed by the same existing panelists for TD3. Baltic will cease publishing the spot rate for TD3 on December 22, 2017, and all settlements after January 2, 2018 will be basis the TD3C contract.

As a result of the contract title amendment on January 2, 2018, the Exchange will amend the Contract’s title in the product rulebook chapter, related position limits in the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the NYMEX Rulebook, the CME Globex non-reviewable ranges located in Rule 588.H. of the NYMEX Rulebook, the list of brock-eligible products located on the CME Group website, NYMEX Rule 300.20 (“Strike Price Listing Procedures and Exercise Procedures Table”) of NYMEX Chapter 300 (“Options Contracts”) and in all other references to the Contract on the CME Group website.

The Exchange previously certified with the Commission similar amendments to the Contract’s underlying futures contract (see [NYMEX Submission No. 16-248](#) dated August 5, 2016).

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the Rule Amendments.

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 e-mail CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: Amendments to NYMEX Rulebook Chapter 949 - (blackline format)
(Effective January 2, 2018)
Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook
(attached under separate cover)

Exhibit A
NYMEX Rulebook

(Underline indicates insertion; ~~strike through~~ indicates deletion.)

[Effective January 2, 2018]

Chapter 949
Freight Route ~~TD3~~ TD3C (Baltic) Average Price Option

949.01 SCOPE

The provisions of these Rules shall apply to all call and put option contracts bought or sold on the Exchange.

949.02 TRADING UNIT

The Freight Route ~~TD3~~ TD3C (Baltic) Average Price Option is an option on the rates for the ~~TD3~~ TD3C freight route published by the Baltic Exchange. The contract size is 1,000 metric tons.

The underlying reference price shall be equal to the arithmetic average of the rates for the ~~TD3~~ TD3C freight route (265,000 metric tons Middle East Gulf to Japan) published by the Baltic Exchange and multiplied by the prevailing Worldscale rate published by Worldscale Association, for each business day that such rate is published during the contract month.

On expiry or exercise, the Freight Route ~~TD3~~ TD3C (Baltic) Average Price Put option shall be cash settled to the greater value of zero and the strike price minus the underlying reference price, multiplied by 1,000. On expiry or exercise, the Freight Route ~~TD3~~ TD3C (Baltic) Average Price Call option shall be cash settled to the greater value of zero and the underlying reference price minus the strike price, multiplied by 1,000.

949.03 EXPIRATION

The Expiration Day shall be the last business day in the contract month. Options shall expire at the close of business on the Expiration Day, in accordance with Rule 300.08.

949.04 OPTION EXERCISE

Option contracts may be exercised on the Expiration Day only.

949.05 TRADING MONTHS

Trading in the Freight Route ~~TD3~~ TD3C (Baltic) Average Price Option contracts shall be conducted in the months as shall be determined by the Exchange.

949.06 HOURS OF TRADING

The hours of trading in Freight Route ~~TD3~~ TD3C (Baltic) Average Price Option contracts on the Exchange shall be the same as the hours of trading as Freight Route ~~TD3~~ TD3C (Baltic) Futures contracts.

949.07 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

949.08 TERMINATION OF TRADING

Trading shall cease at 5:30pm London time on the Expiration Day.

949.09 STRIKE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

949.10 PRICES AND FLUCTUATIONS IN OPTION CONTRACTS

Prices, strike prices and the underlying reference price shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton (\$0.10 per contract). The minimum fluctuation for the underlying reference price shall be \$0.0001 per metric ton (\$0.10 per contract).

949.11 ABSENCES OF PRICE FLUCTUATION LIMITATIONS

Trading in Freight Route ~~TD3~~ TD3C (Baltic) Average Price Option contracts shall not be subject to price fluctuation limitations.

949.12 DISCLAIMER

The Baltic Exchange licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

NEITHER NYMEX, ITS AFFILIATES NOR THE BALTIC EXCHANGE GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE ~~TD3~~ TD3C FREIGHT ROUTE PUBLISHED BY THE BALTIC EXCHANGE OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES AND THE BALTIC EXCHANGE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ~~TD3~~ TD3C FREIGHT ROUTE PUBLISHED BY THE BALTIC EXCHANGE, TRADING BASED ON THE ~~TD3~~ TD3C FREIGHT ROUTE PUBLISHED BY THE BALTIC EXCHANGE, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND THE BALTIC EXCHANGE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ~~TD3~~ TD3C FREIGHT ROUTE PUBLISHED BY THE BALTIC EXCHANGE OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR THE BALTIC EXCHANGE HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGE.

Exhibit B

**Position Limit, Position Accountability, and Reportable Level Table in Chapter
5 of the NYMEX Rulebook**
(attached under separate cover)

