

February 13, 2014

**VIA E-MAIL**

Ms. Melissa Jurgens  
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 Listing of Eight (8) Middle East Refined Product Futures Contracts. NYMEX Submission No. 14-059**

Dear Ms. Jurgens:

The New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the listing of eight (8) new Middle East refined product futures contracts (“Contracts”) for trading on the NYMEX trading floor, CME Globex electronic trading, and for submission for clearing through CME ClearPort beginning at 6:00 p.m. (Eastern) on Sunday, March 2, 2014, for trade date Monday, March 3, 2014. The contract names, commodity codes and rulebook chapters for the Contracts are as noted below. The Exchange notified the Commission in NYMEX/COMEX Submission No. 14-053, dated February 13, 2014, that it will permit block trading in the Contracts to be submitted through CME ClearPort at a block trade minimum threshold of two (2) contracts. Block transactions are governed by Rule 526.

Contract Name	Commodity Code	NYMEX Rule Chapter
Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures	MME	1166
Middle East Gasoil FOB Arab Gulf (Platts) Futures	MPE	1167
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures	MHE	1168
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures	MSE	1169
Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures	MNE	1171
Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures	MBS	1172
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures	MGS	1173
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures	MHS	1174

The Contract specifications are as follows:

<b>Contract Name</b>	Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures
<b>Contract Size</b>	100 metric tons
<b>Termination of Trading</b>	Last business day of the contract month

<b>Minimum Price Fluctuation</b>	\$0.001 per metric ton
<b>Value per Tick</b>	\$0.1
<b>Listing Convention</b>	CME Globex, CME ClearPort and Open Outcry: 12 consecutive months

<b>Contract Name</b>	Middle East Gasoil FOB Arab Gulf (Platts) Futures
<b>Contract Size</b>	1,000 barrels
<b>Termination of Trading</b>	Last business day of the contract month
<b>Minimum Price Fluctuation</b>	\$0.001 per barrel
<b>Value per Tick</b>	\$1
<b>Listing Convention</b>	CME Globex, CME ClearPort and Open Outcry: 12 consecutive months

<b>Contract Name</b>	Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures
<b>Contract Size</b>	100 metric tons
<b>Termination of Trading</b>	Last business day of the contract month
<b>Minimum Price Fluctuation</b>	\$0.001 per metric ton
<b>Value per Tick</b>	\$0.1
<b>Listing Convention</b>	CME Globex, CME ClearPort and Open Outcry: One month, and the next contract month will be listed ten business days before the contract month

<b>Contract Name</b>	Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures
<b>Contract Size</b>	1,000 barrels
<b>Termination of Trading</b>	Last business day of the contract month
<b>Minimum Price Fluctuation</b>	\$0.001 per barrel
<b>Value per Tick</b>	\$1
<b>Listing Convention</b>	CME Globex, CME ClearPort and Open Outcry: One month, and the next contract month will be listed ten business days before the contract month

- **Trading Hours:**

Open Outcry: Monday – Friday 9:00 a.m. – 11:30 a.m. (8:00 a.m. – 10:30 a.m. Chicago Time/CT).  
CME Globex and CME ClearPort: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. CT)  
with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT).

- **Trading and Clearing Fees:**

**Futures Contracts:**

Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures

Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures

1 North End Avenue New York, NY 10282 T 212 299 2200 F 212 299 2299 christopher.bowen@cmegroup.com cmegroup.com

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
<b>Pit</b>	\$0.80	\$0.80	\$0.90	\$1.00	
<b>Globex</b>	\$0.80	\$0.80	\$0.90	\$1.00	\$0.90
<b>ClearPort</b>		\$0.80		\$1.00	

Other Processing Fees		
	Member	Non-Member
<b>Cash Settlement</b>	\$0.10	\$0.10
<b>Facilitation Desk Fee</b>	\$0.20	

**Futures Contracts:**

Middle East Gasoil FOB Arab Gulf (Platts) Futures

Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
<b>Pit</b>	\$0.85	\$0.85	\$1.05	\$1.25	
<b>Globex</b>	\$0.85	\$0.85	\$1.05	\$1.25	\$1.05
<b>ClearPort</b>		\$0.85		\$1.25	

Other Processing Fees		
	Member	Non-Member
<b>Cash Settlement</b>	\$0.85	\$1.25
<b>Facilitation Desk Fee</b>	\$0.40	

**Futures Contracts:**

Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures

Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures

Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures

Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
<b>Pit</b>	\$0.80	\$0.80	\$0.90	\$1.00	
<b>Globex</b>	\$0.80	\$0.80	\$0.90	\$1.00	\$0.90
<b>ClearPort</b>		\$0.80		\$1.00	

Other Processing Fees		
	Member	Non-Member
<b>Cash Settlement</b>	\$0.80	\$1.00

Facilitation Desk Fee	\$0.10
-----------------------	--------

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the new futures 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 NYMEX Rulebook in relation to the listing of the new contract. These terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level, diminishing balance and aggregation allocation for the Contracts.

NYMEX business staff responsible for the new products and the NYMEX legal department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, NYMEX staff identified that the new products may have some bearing on the following Core Principles:

Compliance with Rules: Trading in the Contracts will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in these futures Contracts will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the new products 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.

Contracts not Readily Susceptible to Manipulation: The new Contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash market, which provides diverse participation and sufficient spot transactions.

Prevention of Market Disruption: Trading in these Contracts will be subject to the Rules of NYMEX 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.

Position Limitations or Accountability: The spot-month speculative position limits for the contracts are set at less than the threshold of 25% of the deliverable supply in the respective underlying market.

Availability of General Information: The Exchange will publish information on the Contracts’ specifications 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: These contracts will be cleared by the CME Clearing House which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.

Execution of Transactions: The new Contracts will be listed for trading on CME Globex and the NYMEX trading floor and for clearing through the CME ClearPort platform. The CME ClearPort platform provides a competitive, open and efficient mechanism for novating transactions that are competitively executed by brokers. The CME Globex electronic trading platform provides for a competitive and open execution of transactions due to its advanced functionality, high reliability and global connectivity. Establishing non-reviewable trading ranges for Globex trades in the products facilitate price discovery in the products by encouraging narrow bid/ask spreads. In addition, the NYMEX trading floor continues to be available as a trading venue and provide for competitive and open execution of transactions.

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 the subject contracts.

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 the subject contracts 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 contract are identified.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rules 40.2 and 40.6, the Exchange hereby certifies that the attached contract complies with the Act, including regulations under the Act. A description of the cash market for these new products is attached.

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 [Christopher.Bowen@cmegroup.com](mailto:Christopher.Bowen@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Rule Chapters  
Appendix B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)  
Appendix C: Rule 588.H – Globex Non-Reviewable Range Table  
Appendix D: Cash Market Overview and Analysis of Deliverable Supply

## **APPENDIX A**

### **Chapter 1166**

#### **Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures**

##### **1166100. SCOPE OF CHAPTER**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

##### **1166101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "Naphtha FOB Arab Gulf" price for each business day that it is determined during the contract month.

##### **1166102. TRADING SPECIFICATIONS**

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

###### **1166102.A. Trading Schedule**

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

###### **1166102.B. Trading Unit**

The contract quantity shall be one hundred (100) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

###### **1166102.C. Price Increments**

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

###### **1166102.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.

###### **1166102.E. Termination of Trading**

Trading shall cease on the last business day of the contract month.

##### **1166103. FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

##### **1166104. DISCLAIMER**

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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 PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1167

### Middle East Gasoil FOB Arab Gulf (Platts) Futures

#### 1167100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1167101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "Gasoil FOB Arab Gulf" price for each business day that it is determined during the contract month.

#### 1167102. TRADING SPECIFICATIONS

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

##### 1167102.A. Trading Schedule

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

##### 1167102.B. Trading Unit

The contract quantity shall be one thousand (1,000) barrels. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1167102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel.

##### 1167102.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.

##### 1167102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1167103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1167104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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



PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1168

### Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures

#### 1168100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1168101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "HSFO 180 CST FOB Arab Gulf" price for each business day that it is determined during the contract month.

#### 1168102. TRADING SPECIFICATIONS

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

##### 1168102.A. Trading Schedule

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

##### 1168102.B. Trading Unit

The contract quantity shall be one hundred (100) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1168102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1168102.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.

##### 1168102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1168103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1168104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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

PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1169

### Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures

#### 1169100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1169101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "HSFO 380 CST FOB Arab Gulf" price for each business day that it is determined during the contract month.

#### 1169102. TRADING SPECIFICATIONS

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

##### 1169102.A. Trading Schedule

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

##### 1169102.B. Trading Unit

The contract quantity shall be one hundred (100) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1169102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1169102.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.

##### 1169102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1169103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1169104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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

PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1171

### Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures

#### 1171100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1171101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the mid-point of the high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "Naphtha FOB Arab Gulf" price for each business day that it is determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.

#### 1171102. TRADING SPECIFICATIONS

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

##### 1171102.A. Trading Schedule

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

##### 1171102.B. Trading Unit

The contract quantity shall be one hundred (100) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1171102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1171102.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.

##### 1171102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1171103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1171104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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 PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1172

### Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures

#### 1172100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1172101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the mid-point of the high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "Gasoil FOB Arab Gulf" price for each business day that it is determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.

#### 1172102. TRADING SPECIFICATIONS

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

##### 1172102.A. Trading Schedule

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

##### 1172102.B. Trading Unit

The contract quantity shall be one thousand (1,000) barrels. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1172102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel.

##### 1172102.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.

##### 1172102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1172103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1172104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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 PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1173

### Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures

#### 1173100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1173101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "HSFO 180 CST FOB Arab Gulf" price for each business day that it is determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.

#### 1173102. TRADING SPECIFICATIONS

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

##### 1173102.A. Trading Schedule

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

##### 1173102.B. Trading Unit

The contract quantity shall be one hundred (100) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1173102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1173102.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.

##### 1173102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1173103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1173104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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 PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

## Chapter 1174

### Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures

#### 1174100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1174101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the mid-point of high and low quotations from the Platts Asia-Pacific/Arab Gulf Marketscan for Middle East physical oil assessments under the heading "HSFO 380 CST FOB Arab Gulf" price for each business day that it is determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.

#### 1174102. TRADING SPECIFICATIONS

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

##### 1174102.A. Trading Schedule

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

##### 1174102.B. Trading Unit

The contract quantity shall be one hundred (100) metric ton. Each contract shall be valued as the contract quantity multiplied by the settlement price.

##### 1174102.C. Price Increments

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1174102.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.

##### 1174102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

#### 1174103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1174104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW HILL FINANCIAL, INC. ("PLATTS") GUARANTEES THE ACCURACY OR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS 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

PLATTS PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS 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 DAMAGES.

“Platts,” is a trademark of McGraw Hill Financial, Inc. and has been licensed for use by New York Mercantile Exchange, Inc. Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

**APPENDIX B**

NYMEX Rulebook Chapter 5 Position Limit Table

(attached under separate cover)

## **APPENDIX C**

### **Amendments to NYMEX Rule 588.H. Globex Non-Reviewable Trading Ranges**

<b>Instrument</b>	<b>Non-Reviewable Range (NRR) in Globex format</b>	<b>NRR including Unit of Measure</b>	<b>NRR Ticks</b>
Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures	2000	\$2.00 per metric ton	2000
Middle East Gasoil FOB Arab Gulf (Platts) Futures	1000	\$1.00 per barrel	1000
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures	2000	\$2.00 per metric ton	2000
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures	2000	\$2.00 per metric ton	2000
Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures	2000	\$2.00 per metric ton	2000
Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures	1000	\$1.00 per barrel	1000
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures	2000	\$2.00 per metric ton	2000
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures	2000	\$2.00 per metric ton	2000

## **APPENDIX D**

### **SUPPLEMENTAL MARKET INFORMATION**

#### **Price Sources: Platts**

##### **Platts**

Platts, a division of McGraw Hill Financial, Inc. ("Platts") is one of the major pricing services used in the OTC market for the pricing of swap contracts, and the methodology utilized by Platts is well-known in the oil industry. Their pricing methodology<sup>1</sup> is derived from telephone surveys and electronic data collected from multiple market participants to determine market value. Platts has a long-standing reputation in the industry for price benchmarks. NYMEX is a party to license agreements with Platts to utilize their pricing data.

##### **Middle East**

Middle East is a geographical region which comprises Bahrain, Cyprus, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab of Emirates and Yemen. In 2012, Middle East produced a total of 24.1 million barrels of crude oil, the most of any region. Middle East also hosts the world's largest crude oil reserve of 800 billion barrels.

##### **Middle East Naphtha Market**

Naphtha is an essential feedstock for the petrochemical industry and can also be used for producing gasoline. The main naphtha producers in in the Middle East are Bahrain, Kuwait, Oman, Qatar and United Arab Emirates (UAE), according to the data provided by Joint Organisations Data Initiative (JODI)<sup>2</sup> as shown in table 1 below. For the last three years, average monthly production of naphtha for these countries was approximately 442 thousand barrels per day, or 13.25 million barrels per month for a 30-day month.

Table 1: Production of Middle East Naphtha (Thousand Barrels per Day)

<b>Month</b>	<b>Bahrain</b>	<b>Kuwait</b>	<b>Oman</b>	<b>Qatar</b>	<b>UAE</b>
Nov-10	41	202	0	87	106
Dec-10	41	214	3	89	149
Jan-11	44	208	14	89	110
Feb-11	40	232	13	94	102
Mar-11	24	227	11	96	113
Apr-11	37	184	12	99	129
May-11	44	155	10	93	132
Jun-11	39	195	13	101	125
Jul-11	41	190	14	93	120
Aug-11	38	190	16	94	122
Sep-11	37	172	16	104	124
Oct-11	38	159	13	80	126
Nov-11	39	177	12	86	125
Dec-11	41	221	13	91	127
Jan-12	42	191	14	92	132
Feb-12	44	193	16	69	123

<sup>1</sup> <http://www.platts.com/IM.Platts.Content/methodologyreferences/methodologyspecs/europeanoilproductspecs.pdf>

<sup>2</sup> <http://www.jodidb.org/TableViewer/tableView.aspx?ReportId=13444>



Mar-12	43	209	13	87	106
Apr-12	51	211	19	93	120
May-12	45	209	15	97	122
Jun-12	36	209	15	94	124
Jul-12	38	205	15	95	123
Aug-12	43	213	14	93	122
Sep-12	38	212	15	96	126
Oct-12	35	212	10	93	123
Nov-12	41	151	7	89	117
Dec-12	42	151	13	94	113
Jan-13	44	154	7	91	114
Feb-13	43	142	5	69	102
Mar-13	45	142	0	93	116
Apr-13	49	112	0	90	124
May-13	37	122	1	88	126
Jun-13	36	149	2	95	123
Jul-13	34	148	6	85	127
Aug-13	36	148	5	90	129
Sep-13	44	168	10	91	122
Oct-13	52	175	10	93	0
<b>Average</b>	<b>41</b>	<b>182</b>	<b>10</b>	<b>91</b>	<b>118</b>

### **Middle East Gasoil Market**

Gasoil is the same as diesel and is primarily used as fuel for trucks and ships in the industry. The main gasoil producers in the Middle East are Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (UAE), according to the data provided by JODI<sup>3</sup> as shown in table 2 below. For the last three years, average monthly production of gasoil for these countries was approximately 1.21 million barrels per day, or 36.29 million barrels per month for a 30-day month.

Table 2: Production of Middle East Gasoil (Thousand Barrels per Day)

<b>Month</b>	<b>Bahrain</b>	<b>Iraq</b>	<b>Kuwait</b>	<b>Oman</b>	<b>Qatar</b>	<b>Saudi Arabia</b>	<b>UAE</b>
Nov-10	79	109	241	15	56	515	100
Dec-10	83	112	203	17	57	496	105
Jan-11	82	98	248	38	50	642	102
Feb-11	87	93	220	37	57	590	81
Mar-11	50	107	215	38	49	554	94
Apr-11	68	121	175	41	50	613	103

<sup>3</sup> <http://www.jodidb.org/TableViewer/tableView.aspx?ReportId=13444>

May-11	87	135	166	38	55	550	101
Jun-11	82	140	239	43	58	631	115
Jul-11	84	146	232	46	65	653	108
Aug-11	79	146	232	47	49	639	101
Sep-11	69	144	210	53	61	666	93
Oct-11	79	128	168	50	54	679	95
Nov-11	83	117	205	41	50	673	100
Dec-11	81	116	255	48	44	651	93
Jan-12	82	111	210	48	45	575	79
Feb-12	88	116	212	48	48	683	87
Mar-12	77	113	230	37	14	584	75
Apr-12	91	118	231	37	50	564	56
May-12	85	146	230	53	49	627	86
Jun-12	82	151	230	52	51	663	106
Jul-12	84	150	225	48	42	661	97
Aug-12	81	132	233	50	44	668	89
Sep-12	79	125	233	41	40	650	77
Oct-12	76	126	233	25	53	641	98
Nov-12	80	123	232	34	53	678	101
Dec-12	84	122	232	36	51	654	78
Jan-13	85	118	218	43	46	686	78
Feb-13	69	0	219	31	35	534	70
Mar-13	67	121	219	21	40	597	72
Apr-13	78	144	158	15	34	543	81
May-13	75	151	172	24	24	564	84
Jun-13	80	149	211	25	40	585	86
Jul-13	78	163	209	31	50	627	84
Aug-13	77	149	223	22	45	598	80
Sep-13	81	144	252	24	54	579	101
Oct-13	75	123	262	28	54	599	0
<b>Averag</b>	<b>79</b>	<b>125</b>	<b>219</b>	<b>37</b>	<b>48</b>	<b>614</b>	<b>88</b>

### **Middle East Fuel Oil Market**

Fuel oil is primarily used as fuel for ships, and occasionally also used for power generation. The main fuel oil producers in in the Middle East are Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (UAE), according to the data provided by JODI<sup>4</sup> as shown in table 3 below. For the last years, average monthly production of fuel oil for these countries was approximately 975 thousand barrels per day, or 29.24 million barrels per month for a 30-day month.

<sup>4</sup> <http://www.jodidb.org/TableViewer/tableView.aspx?ReportId=13444>

Table 3: Production of Middle East Gasoil (Thousand Barrels per Day)

Month	Bahrain	Iraq	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Nov-10	45	272	189	0	4	321	0
Dec-10	45	293	211	7	4	282	19
Jan-11	46	254	195	11	5	477	19
Feb-11	49	244	228	12	4	349	19
Mar-11	42	224	224	12	4	352	15
Apr-11	57	239	181	11	4	388	19
May-11	46	282	174	9	4	362	20
Jun-11	50	246	218	10	5	444	19
Jul-11	47	256	211	9	4	482	19
Aug-11	52	262	211	10	3	444	18
Sep-11	52	282	192	11	4	450	17
Oct-11	49	277	172	9	4	442	19
Nov-11	42	274	120	7	4	420	23
Dec-11	49	283	150	9	4	380	21
Jan-12	50	277	183	10	4	446	20
Feb-12	46	283	185	11	5	449	12
Mar-12	47	250	200	11	6	456	0
Apr-12	44	251	202	9	4	446	12
May-12	49	284	201	11	4	462	19
Jun-12	39	293	201	11	4	456	20
Jul-12	51	311	197	12	12	482	18
Aug-12	46	309	204	12	11	469	19
Sep-12	51	288	204	9	6	467	17
Oct-12	46	282	204	7	4	472	17
Nov-12	56	267	208	7	5	458	17
Dec-12	51	295	208	7	5	496	18
Jan-13	42	300	264	8	6	430	18
Feb-13	43	0	197	3	4	441	18
Mar-13	45	33	197	0	4	414	18
Apr-13	46	277	193	0	2	359	19
May-13	54	301	211	2	2	425	19
Jun-13	45	305	258	4	22	485	20
Jul-13	52	312	256	4	16	431	20
Aug-13	53	312	175	5	4	460	21
Sep-13	44	312	198	6	3	466	17
Oct-13	46	308	206	6	4	456	0
<b>Averag</b>	<b>48</b>	<b>265</b>	<b>201</b>	<b>8</b>	<b>5</b>	<b>431</b>	<b>17</b>

## **ANALYSIS OF DELIVERABLE SUPPLY**

The 8 proposed new futures contracts are based off Platts assessments for middle east refined products, including naphtha, gasoil, 180cst fuel oil and 380cst fuel oil.

### **Naphtha**

The contract size of the proposed Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures is 100 metric tons. In table 1, the naphtha production of the region was presented. As stated above, the total production in the last three years was 442 thousand barrels per day, or 13.25 million barrels for a 30 day month. This equals to 1.49 million metric tons with the conversion of 8.9 barrels per metric ton of Naphtha. Staff proposes the spot month limits to be 1,500 contract equivalents, which is 150 thousand metric tons and approximately 10.1% of the monthly deliverable supply of naphtha in the market.

### **Gasoil**

The contract size of the proposed Middle East Gasoil FOB Arab Gulf (Platts) Futures is 1,000 barrels. In table 2, the gasoil production of the region was presented. As stated above, the total production in the last three years was 1.21 million barrels per day, or 36.29 million barrels for a 30 day month. Staff proposes the spot month limits to be 2,000 contract equivalents, which is 2 million barrels and approximately 5.5% of the monthly deliverable supply of gasoil in the market.

### **Fuel Oil**

The contract size of the proposed Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures and Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures are both 100 metric tons. In table 3, the fuel oil production of the region was presented. As stated above, the total production in the last three years was 970 thousand barrels per day, or 29.24 million barrels for a 30 day month. Using a conversion factor of 6.35 barrels per metric ton, the total production of fuel oil is equal to 4.6 million metric tons per month. Staff proposes the spot month limits to be 2,000 contract equivalents, which is 2 million metric tons and approximately 4.3% of the monthly deliverable supply of fuel oil in the market.

### **BALMO contract**

A BALMO (balance-of-month) contract on the Exchange is a contract whose pricing period is defined as the contract date to the end of the contract month. The floating price of a BALMO contract is then the arithmetic average of the published underlying index prices during its defined pricing period. In addition to the regular monthly average futures contracts, the staff also proposes the listing of BALMO contracts on the four Middle East refined products.

Contract Name	Rule Chapter	Commodity Code	Contract Size
Mini Middle East Naphtha FOB Arab Gulf (Platts) Futures	1166	MME	100
Mini Middle East Naphtha FOB Arab Gulf (Platts) BALMO Futures	1171	MNE	100
Middle East Gasoil FOB Arab Gulf (Platts) Futures	1167	MPE	1,000
Middle East Gasoil FOB Arab Gulf (Platts) BALMO Futures	1172	MBS	1,000
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) Futures	1168	MHE	100
Mini Middle East HSFO 180 cst FOB Arab Gulf (Platts) BALMO Futures	1173	MGs	100
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) Futures	1169	MSE	100
Mini Middle East HSFO 380 cst FOB Arab Gulf (Platts) BALMO Futures	1174	MHS	100

Contract Units	Type	Settlement	Group	Diminishing Balance Contract	Reporting Level	Spot-Month position comprised of futures and deliveries
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	
Barrels	Futures	Financially Settled Futures	Refined Products	Y	25	
Barrels	Futures	Financially Settled Futures	Refined Products	Y	25	
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	
Metric Tons	Futures	Financially Settled Futures	Refined Products	Y	25	

**Spot-M**

Spot-Month Aggregate Into Futures Equivalent Leg (1)	Spot-Month Aggregate Into Futures Equivalent Leg (2)	Spot-Month Aggregate Into Ratio Leg (1)	Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
MME					1,500
MME		1 MNE : 1 MME			1,500
MPE					2,000
MPE		1 MBS : 1 MPE			2,000
MHE					2,000
MHE		1 MGS : 1 MHE			2,000
MSE					2,000
MSE		1 MHS : 1 MSE			2,000

Month		Single Month Aggregate Into Futures Equivalent Leg (1)
Initial Spot-Month Limit Effective Date	Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)	
Close of trading 3 business days prior to last trading day of the contract	150,000	MME
For MME: Close of trading 3 business days prior to last trading day of the contract	150,000	MME
Close of trading 3 business days prior to last trading day of the contract	2,000,000	MPE
For MBS: Close of trading 3 business days prior to last trading day of the contract	2,000,000	MPE
Close of trading 3 business days prior to last trading day of the contract	200,000	MHE
For MGS: Close of trading 3 business days prior to last trading day of the contract	200,000	MHE
Close of trading 3 business days prior to last trading day of the contract	200,000	MSE
For MHS: Close of trading 3 business days prior to last trading day of the contract	200,000	MSE



Single Month						
Single Month Aggregate Into Futures Equivalent Leg (2)	Single Month Aggregate Into Leg (1)	Single Month Aggregate Into Ratio Leg (2)	Single Month Accountability Level Leg (1) / Leg (2)	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	All Month Aggregate Into Futures Equivalent Leg (1)	All Month Aggregate Into Futures Equivalent Leg (2)
				5,000		MME
	1 MNE : 1 MME			5,000		MME
				6,000		MPE
	1 MBS : 1 MPE			6,000		MPE
				6,000		MHE
	1 MGS : 1 MHE			6,000		MHE
				6,000		MSE
	1 MHS : 1 MSE			6,000		MSE

## All Month

All Month Aggregate Into Ratio Leg (1)	All Month Aggregate Into Ratio Leg (2)	All Month Accountability Level Leg (1) / Leg (2)	All Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
		7,000	
1 MNE : 1 MME		7,000	
		9,000	
1 MBS : 1 MPE		9,000	
		9,000	
1 MGS : 1 MHE		9,000	
		9,000	
1 MHS : 1 MSE		9,000	