



RECEIVED
CFTC

2011 FEB 24 11:11:18

OFFICE OF THE
SECRETARIAT

February 24, 2011

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Rule Certification. New York Mercantile Exchange, Inc. Submission # 11-014:
Notification Regarding the Listing of Seven (7) New Fuel Oil Futures Contracts for
Trading on the NYMEX Trading Floor and for Clearing through CME ClearPort®**

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of seven (7) new financially settled petroleum futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort beginning at 6:00 p.m. on Sunday, February 27, 2010 for trade date Monday, February 28, 2010.

The contract titles, commodity codes, rule chapters, and specifications are provided below.

| Contract | Code | Rule Chapter |
|---|-------------|---------------------|
| Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures | GCU | 425 |
| New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures | NYF | 426 |
| New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) Swap Futures | NYH | 492 |
| New York 0.3% Fuel Oil HiPr (Platts) BALMO Swap Futures | NYB | 483 |
| New York 0.7% Fuel Oil (Platts) BALMO Swap Futures | NYS | 427 |
| New York 2.2% Fuel Oil (Platts) BALMO Swap Futures | NYE | 330 |
| New York 3.0% Fuel Oil (Platts) BALMO Swap Futures | NYT | 331 |

The Exchange will allow the exchange for related position (EFRP) transactions to be submitted through CME ClearPort. EFRP transactions in these futures contracts will be governed by the provisions of Exchange Rule 538.

CONTRACT SPECIFICATIONS

- **First Listed Month:** March 2011
- **Listing Period:** GCU, NYF, NYH = 36 consecutive months

NYB, NYS, NYE, NYT = One month and the following month listed 10 business days prior to the start of the contract month.

- **Contract Size:** 1,000 Barrels
- **Termination of Trading:** Trading shall cease on the last business day of the contract month.
- **Minimum Price Tick:** \$0.001
- **Value per Tick:** \$1.00
- **Final Settlement Price:** Settlement tick = \$0.001
- **Trading and Clearing Hours:**
 - CME ClearPort: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT).
 - Open Outcry: Monday – Friday 9:00 a.m. – 2:30 p.m. (8:00 a.m. – 1:30 p.m. CT).
- **Fees:**

| Contract | CME ClearPort Rates | | NY Trading Floor Rates | | Cash Settlement Fee | |
|---|---------------------|------------|------------------------|------------|---------------------|------------|
| | Member | Non-Member | Member | Non-Member | Member | Non-Member |
| Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York 0.3% Fuel Oil HiPr (Platts) BALMO Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York 0.7% Fuel Oil (Platts) BALMO Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York 2.2% Fuel Oil (Platts) BALMO Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |
| New York 3.0% Fuel Oil (Platts) BALMO Swap Futures | Member | \$0.85 | Member | \$0.85 | Member | \$0.85 |
| | Non-Member | \$1.35 | Non-Member | \$1.35 | Non-Member | \$1.35 |
| | | | Blended Floor | \$1.10 | | |

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 contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

Should you have any questions concerning the above, please contact Daniel Brusstar at (212) 299-2604 or the undersigned at (212) 299-2207.

Sincerely,

/s/ Felix Khalatnikov
Dir & Assoc General Counsel

Attachments: Contract terms and conditions
Cash Market Overview and Analysis of Deliverable Supply

1083

Chapter 425
Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam
(Platts) Swap Futures

425.01. SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

425.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts Oilgram Price Report for Gulf Coast No. 6 3.0%S (Waterborne) Fuel Oil minus the high and low quotations from Platts European Marketscan for 3.5% Fuel Oil under the heading "Barges FOB Rotterdam" assessment price for each business day that both are determined during the contract month.

425.03. CONTRACT QUANTITY AND VALUE

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

For purposes of determining the Floating Price, the Platts Fuel Oil assessment price will be converted each day to U.S. dollars and cents per barrel, rounded to the nearest cent. The conversion factor will be 6.35 barrels per metric ton.

425.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

425.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

425.06. TERMINATION OF TRADING

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

425.07. FINAL SETTLEMENT

Delivery 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.

425.08. EXCHANGE FOR RELATED POSITIONS

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

425.09. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX,") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW-HILL COMPANIES, INC. ("PLATTS") GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, OR PLATTS EUROPEAN MARKETSCAN, TRADING BASED ON THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING 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 INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN, 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 DAMAGE.

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

Chapter 426
New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts)
Swap Futures

426.01. SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

426.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts Oilgram Price Report for New York No. 6 1%S Max Fuel (Waterborne Cargo) minus the high and low quotations from Platts European Marketscan for 1% Fuel Oil under the heading "Cargoes FOB NWE" price assessment for each business day that both are determined during the contract month.

426.03. CONTRACT QUANTITY AND VALUE

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

For purposes of determining the Floating Price, the Platts Fuel Oil assessment price will be converted each day to U.S. dollars and cents per barrel, rounded to the nearest cent. The conversion factor will be 6.35 barrels per metric ton.

426.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

426.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

426.06. TERMINATION OF TRADING

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

426.07. FINAL SETTLEMENT

Delivery 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.

426.08. EXCHANGE FOR RELATED POSITIONS

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

426.09. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX,") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW-HILL COMPANIES, INC. ("PLATTS") GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, OR PLATTS EUROPEAN MARKETSCAN, TRADING BASED ON THE INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING 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 INDEX FROM THE PLATTS OILGRAM PRICE REPORT, PLATTS EUROPEAN MARKETSCAN, 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 DAMAGE.

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

Chapter 492

New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) Swap Futures

492.01. SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

492.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts Oilgram Price Report for New York No. 6 0.3% SNOHiPr Fuel Oil (Waterborne Cargo) minus the high and low quotations from Platts Oilgram Price Report for New York No. 6 1% S Max Fuel (Waterborne Cargo) price assessment for each business day that both are determined during the contract month.

492.03. CONTRACT QUANTITY AND VALUE

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

492.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

492.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

492.06. TERMINATION OF TRADING

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

492.07. FINAL SETTLEMENT

Delivery 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.

492.08. EXCHANGE FOR RELATED POSITIONS

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

492.09. DISCLAIMER

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

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

Chapter 483
New York 0.3% Fuel Oil HiPr (Platts) BALMO Swap Futures

483.01.

SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

483.02.

FLOATING PRICE

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 Platts Oilgram Price Report for New York No. 6 0.3%S HiPr Fuel Oil (Waterborne Cargo) starting from the selected start date through the end of the contract month, inclusively.

483.03.

CONTRACT QUANTITY AND VALUE

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

483.04.

CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

483.05.

PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

483.06.

TERMINATION OF TRADING

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

483.07.

FINAL SETTLEMENT

Delivery 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.

483.08.

EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

483.09.

DISCLAIMER

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

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

Chapter 427
New York 0.7% Fuel Oil (Platts) BALMO Swap Futures

427.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

427.02. FLOATING PRICE

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 Platts Oilgram Price Report for New York No.6 0.7%S Max Fuel Oil (Waterborne Cargo) starting from the selected start date through the end of the contract month, inclusively.

427.03. CONTRACT QUANTITY AND VALUE

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

427.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

427.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

427.06. TERMINATION OF TRADING

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

427.07. FINAL SETTLEMENT

Delivery 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.

427.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

427.09. DISCLAIMER

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

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

Chapter 330
New York 2.2% Fuel Oil (Platts) BALMO Swap Futures

330.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

330.02. FLOATING PRICE

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 Platts Oilgram Price Report for New York No.6 2.2%S Max Fuel Oil (Waterborne Cargo) starting from the selected start date through the end of the contract month, inclusively.

330.03. CONTRACT QUANTITY AND VALUE

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

330.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

330.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

330.06. TERMINATION OF TRADING

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

330.07. FINAL SETTLEMENT

Delivery 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.

330.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

330.09. DISCLAIMER

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

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

Chapter 331
New York 3.0% Fuel Oil (Platts) BALMO Swap Futures

331.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

331.02. FLOATING PRICE

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 Platts Oilgram Price Report for New York No.6 3.0%S Max Fuel Oil (Waterborne Cargo) starting from the selected start date through the end of the contract month, inclusively.

331.03. CONTRACT QUANTITY AND VALUE

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

331.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

331.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

331.06. TERMINATION OF TRADING

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

331.07. FINAL SETTLEMENT

Delivery 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.

331.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

331.09. DISCLAIMER

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

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

CASH MARKET OVERVIEW

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is self-certifying the listing of the following seven (7) financially settled residual fuel oil futures contracts for trading on the NYMEX trading floor and for clearing through CME ClearPort.

1. Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures
2. New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures
3. New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) Swap Futures
4. New York 0.3% Fuel Oil HiPr (Platts) BALMO Swap Futures
5. New York 0.7% Fuel Oil (Platts) BALMO Swap Futures
6. New York 2.2% Fuel Oil (Platts) BALMO Swap Futures
7. New York 3.0% Fuel Oil (Platts) BALMO Swap Futures

These new contracts are spreads and balance-of-month futures contracts based on existing NYMEX residual fuel oil futures contracts. The Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures contract is based on the differential between the Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Swap Futures and the European 3.5% Fuel Oil (Platts) Barges FOB Rdam Calendar Swap Futures contracts. The New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures contract is based on the spread between the New York Harbor Residual Fuel 1.0% (Platts) Swap Futures and European 1% Fuel Oil (Platts) Cargoes FOB NWE Calendar Swap Futures contracts. The New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) Swap Futures contract is based on the differential between the NY 0.3% Fuel Oil HiPr (Platts) Swap Futures and the New York Harbor Residual Fuel 1.0% (Platts) Swap Futures contracts. In addition, the four new balance-of-month contracts are based on existing calendar month swap contracts.

BALANCE-OF-MONTH CONTRACTS

The final settlement for the four new balance-of-month ("BALMO") swap futures contracts is equal to the balance-of-month arithmetic average, starting from the selected start date through the end of the contract month, inclusively.

BALMO swap futures are used by market participants in the over-the-counter ("OTC") market for pricing transactions in periods that are less than a full calendar month. BALMO swap futures contracts are cash-settled, and are settled similarly to the settlement of a calendar month swap futures using a specified index price, such as the Platts price assessment, starting from the day of execution until the last

day of the contract month. The user has the flexibility to select the start date (or first day) of the BALMO averaging period. The last day of the period is the last business day of the contract month. In the OTC petroleum market, the BALMO swap futures model is a useful hedging tool that allows the market participants and hedgers to customize the averaging period of the transaction to allow for partial-month average prices. As stated above, the structure of the BALMO swap futures contract is similar to that of a calendar month swap futures, except for the averaging period of the transaction.

PRICE SOURCES

Platts, a division of The McGraw-Hill Companies, Inc. ("Platts") is the price reporting service used for the final settlement of the seven new petroleum futures contracts. Platts is one of the major pricing services used in the over-the-counter (OTC) market for the pricing of swap contracts, and the methodology utilized by Platts is well-known in the oil industry. Their pricing methodology¹ 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 that are fair and not manipulated. NYMEX is a party to license agreements with Platts to utilize their pricing data.

MARKET OVERVIEW

The cash market overview contains a description of the following markets:

- I. New York Harbor and Gulf Coast Fuel Oil Markets
- II. European Fuel Oil Market

I. New York and Gulf Coast Fuel Oil Markets

Description

Fuel oil², also called residual fuel oil, is a liquid petroleum product less volatile than gasoline and used as an energy source. It is generally used in the production of electric power, space heating, vessel bunkering, and various industrial purposes. Fuel oil is classified into six categories varying from number 1 through 6 according to its boiling point, composition and purpose.

¹ <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/usoilproductspecs.pdf> and <http://www.platts.com/IM.Platts.Content/methodologyreferences/methodologyspecs/europeanoilproductspecs.pdf>.

² <http://www.eia.doe.gov/tools/glossary/index.cfm?id=F>

A. New York Fuel Oil Market

Consumption, Production, Imports and Exports (PADD I)

The New York Harbor fuel oil market, located within Petroleum Administration Defense District I (PADD I), represents the largest hub in the Northeast for residual fuel oil, with extensive storage capacity and refining capacity. The Department of Energy's *Energy Information Administration* ("EIA") is the main source for data related to the underlying residual fuel oil cash markets. Table 1 below illustrates selected statistics for residual fuel oil. According to the EIA, the New York Harbor residual fuel oil market is an active trading and import hub, with fuel oil imports of approximately 200,000 barrels per day for the 2007 – 2009 average period. During the 2007 to 2009 period, the total average exports for residual fuel oil was over 60,000 barrels per day. For the 2007 to 2009 period, the total average demand for fuel oil in PADD I was approximately 280,000 barrels per day. The estimated daily trading volume of fuel oil in the New York Harbor cash market is 500,000 to 600,000 barrels per day.

Table 1: Selected Statistics for Residual Fuel Oil – PADD I

(Thousand Barrels per Day)

| Residual Fuel Oil, PADD I | 2007 | 2008 | 2009 | Average 2007-2009 |
|--|-------------------|-------------------|-------------------|------------------------------|
| Consumption ³ | 345 | 271 | 224 | 280.0 |
| Imports ⁴ | 214 | 200 | 191 | 201.7 |
| Exports ⁵ | 42 | 67 | 84 | 64.3 |
| 4-Week Average | 01/07/2011 | 01/14/2011 | 01/21/2011 | 01/28/2011 |
| Weekly Refiner & Blender Net Production ⁶ | 42 | 43 | 43 | 44 |

Inventories

Table 2 below provides monthly EIA data for PADD I inventories for residual fuel oil. The EIA data on residual fuel stocks are available by PADD and for the Central Atlantic region (which includes New York Harbor). The Central Atlantic region represents roughly two thirds of the stocks located within the PADD I region. Over the annual period of 2007 through November 2010, PADD I stocks varied from a high of over 18.5 million barrels in May 2010 to a low of approximately 12.4 million barrels in January

³ EIA Consumption Data, http://www.eia.gov/dnav/pet/pet_cons_psup_dc_r10_mbbldpd_a.htm

⁴ EIA Import Data, http://tonto.eia.doe.gov/dnav/pet/pet_move_imp_dc_R10-Z00_mbbldpd_a.htm

⁵ EIA Export Data, http://tonto.eia.doe.gov/dnav/pet/pet_move_exp_dc_R10-Z00_mbbldpd_a.htm.

⁶ EIA Production Data, http://tonto.eia.doe.gov/dnav/pet/pet_pnp_wprodrb_dcu_r10_4.htm.

2009. According to the most recent EIA data, residual inventory levels were at 14.5 million barrels in November 2010.

Table 2: Selected Statistics for Residual Fuel Oil – Stocks PADD I⁷
(Monthly – Thousand Barrels)

| Month | 2007 | 2008 | 2009 | 2010 |
|-------|--------|--------|--------|--------|
| Jan | 18,047 | 15,667 | 12,413 | 14,411 |
| Feb | 13,655 | 14,911 | 14,221 | 14,257 |
| Mar | 14,651 | 13,457 | 14,704 | 14,641 |
| Apr | 14,618 | 14,817 | 14,161 | 15,918 |
| May | 15,485 | 16,252 | 15,638 | 18,500 |
| Jun | 14,813 | 15,423 | 14,911 | 15,979 |
| Jul | 14,382 | 13,779 | 13,915 | 16,468 |
| Aug | 13,727 | 13,990 | 12,999 | 14,802 |
| Sep | 15,307 | 14,105 | 14,004 | 14,938 |
| Oct | 14,809 | 14,077 | 14,624 | 14,659 |
| Nov | 14,803 | 14,150 | 14,103 | 14,515 |
| Dec | 14,673 | 13,261 | 13,003 | - |

B. Gulf Coast Fuel Oil Market

Consumption, Production, Imports and Exports (PADD III)

The EIA provides detailed consumption, production, stocks, and trade statistics for Gulf Coast fuel oil. Table 3 below provides annual data for the U.S. Gulf Coast (PADD III) region for consumption, and imports/exports. According to the EIA, during the 2007 – 2009 period, Gulf Coast consumption averaged 136,000 barrels per day. Further, the EIA reported that during the annual period of 2007 – 2009, exports of fuel oil averaged approximately 260,000 barrels per day, while imports were over 100,000 barrels per day.

Table 3: Selected Statistics for Residual Fuel Oil – PADD III
(Thousand Barrels per Day)

| Residual Fuel Oil, PADD III | 2007 | 2008 | 2009 | Average 2007-2009 |
|-----------------------------|------|------|------|-------------------|
| Consumption ⁸ | 166 | 143 | 100 | 136.3 |
| Imports ⁹ | 116 | 109 | 95 | 106.7 |
| Exports ¹⁰ | 234 | 255 | 301 | 263.7 |

⁷ EIA Stock Data - http://tonto.eia.doe.gov/dnav/pet/pet_stoc_typ_d_r10_SAE_mbbld_m.htm.

⁸ EIA Consumption Data, http://www.eia.doe.gov/dnav/pet/pet_cons_psup_dc_r30_mbbldpd_a.htm.

⁹ EIA Import Data, http://tonto.eia.doe.gov/dnav/pet/pet_move_imp_dc_R30-Z00_mbbldpd_a.htm.

¹⁰ EIA Export Data, http://tonto.eia.doe.gov/dnav/pet/pet_move_exp_dc_R30-Z00_mbbldpd_a.htm.

According to Table 4 below, the Gulf Coast is an active trading and production center, with residual fuel oil production of approximately 275,000 barrels per day for the weekly period ranging from May 30, 2008 to January 28, 2011. The estimated daily trading volume of fuel oil in the Gulf Coast cash market is approximately 500,000 to 600,000 barrels per day.

Table 4: Four-Week Average Gulf Coast Weekly Refiner & Blender Net Production
(Thousand Barrels per Day)

| Date | 4-Week Average Gulf Coast Weekly Refiner & Blender Net Production ¹¹ |
|--------------|---|
| May 30, 2008 | 341 |
| Jun 06, 2008 | 339 |
| Jun 13, 2008 | 326 |
| Jun 20, 2008 | 320 |
| Jun 27, 2008 | 313 |
| Jul 04, 2008 | 291 |
| Jul 11, 2008 | 299 |
| Jul 18, 2008 | 300 |
| Jul 25, 2008 | 295 |
| Aug 01, 2008 | 282 |
| Aug 08, 2008 | 274 |
| Aug 15, 2008 | 261 |
| Aug 22, 2008 | 254 |
| Aug 29, 2008 | 258 |
| Sep 05, 2008 | 246 |
| Sep 12, 2008 | 225 |
| Sep 19, 2008 | 181 |
| Sep 26, 2008 | 155 |
| Oct 03, 2008 | 161 |
| Oct 10, 2008 | 182 |
| Oct 17, 2008 | 222 |
| Oct 24, 2008 | 256 |
| Oct 31, 2008 | 268 |
| Nov 07, 2008 | 273 |
| Nov 14, 2008 | 278 |
| Nov 21, 2008 | 276 |
| Nov 28, 2008 | 265 |
| Dec 05, 2008 | 267 |
| Dec 12, 2008 | 265 |
| Dec 19, 2008 | 285 |
| Dec 26, 2008 | 291 |
| Jan 02, 2009 | 277 |
| Jan 09, 2009 | 269 |
| Jan 16, 2009 | 249 |
| Jan 23, 2009 | 245 |
| Jan 30, 2009 | 258 |

¹¹ EIA Production Data, http://tonto.eia.doe.gov/dnav/pet/pet_pnp_wprodrb_dcu_r30_4.htm.

| Date | 4-Week Average Gulf Coast Weekly Refiner & Blender Net Production |
|--------------|--|
| Feb 06, 2009 | 262 |
| Feb 13, 2009 | 251 |
| Feb 20, 2009 | 260 |
| Feb 27, 2009 | 251 |
| Mar 06, 2009 | 254 |
| Mar 13, 2009 | 235 |
| Mar 20, 2009 | 227 |
| Mar 27, 2009 | 223 |
| Apr 03, 2009 | 221 |
| Apr 10, 2009 | 226 |
| Apr 17, 2009 | 215 |
| Apr 24, 2009 | 210 |
| May 01, 2009 | 184 |
| May 08, 2009 | 210 |
| May 15, 2009 | 226 |
| May 22, 2009 | 243 |
| May 29, 2009 | 277 |
| Jun 05, 2009 | 287 |
| Jun 12, 2009 | 295 |
| Jun 19, 2009 | 292 |
| Jun 26, 2009 | 287 |
| Jul 03, 2009 | 280 |
| Jul 10, 2009 | 276 |
| Jul 17, 2009 | 299 |
| Jul 24, 2009 | 308 |
| Jul 31, 2009 | 313 |
| Aug 07, 2009 | 326 |
| Aug 14, 2009 | 331 |
| Aug 21, 2009 | 338 |
| Aug 28, 2009 | 325 |
| Sep 04, 2009 | 320 |
| Sep 11, 2009 | 298 |
| Sep 18, 2009 | 289 |
| Sep 25, 2009 | 317 |
| Oct 02, 2009 | 331 |
| Oct 09, 2009 | 346 |
| Oct 16, 2009 | 355 |
| Oct 23, 2009 | 343 |
| Oct 30, 2009 | 332 |
| Nov 06, 2009 | 332 |
| Nov 13, 2009 | 334 |
| Nov 20, 2009 | 346 |
| Nov 27, 2009 | 369 |
| Dec 04, 2009 | 365 |
| Dec 11, 2009 | 360 |
| Dec 18, 2009 | 347 |
| Dec 25, 2009 | 329 |
| Jan 01, 2010 | 333 |
| Jan 08, 2010 | 343 |

| Date | 4-Week Average Gulf Coast Weekly Refiner & Blender Net Production |
|--------------|--|
| Jan 15, 2010 | 352 |
| Jan 22, 2010 | 368 |
| Jan 29, 2010 | 364 |
| Feb 05, 2010 | 363 |
| Feb 12, 2010 | 351 |
| Feb 19, 2010 | 315 |
| Feb 26, 2010 | 316 |
| Mar 05, 2010 | 310 |
| Mar 12, 2010 | 300 |
| Mar 19, 2010 | 294 |
| Mar 26, 2010 | 266 |
| Apr 02, 2010 | 252 |
| Apr 09, 2010 | 257 |
| Apr 16, 2010 | 253 |
| Apr 23, 2010 | 262 |
| Apr 30, 2010 | 271 |
| May 07, 2010 | 287 |
| May 14, 2010 | 300 |
| May 21, 2010 | 302 |
| May 28, 2010 | 287 |
| Jun 04, 2010 | 268 |
| Jun 11, 2010 | 256 |
| Jun 18, 2010 | 244 |
| Jun 25, 2010 | 249 |
| Jul 02, 2010 | 249 |
| Jul 09, 2010 | 239 |
| Jul 16, 2010 | 226 |
| Jul 23, 2010 | 205 |
| Jul 30, 2010 | 190 |
| Aug 06, 2010 | 191 |
| Aug 13, 2010 | 188 |
| Aug 20, 2010 | 179 |
| Aug 27, 2010 | 179 |
| Sep 03, 2010 | 213 |
| Sep 10, 2010 | 230 |
| Sep 17, 2010 | 277 |
| Sep 24, 2010 | 289 |
| Oct 01, 2010 | 274 |
| Oct 08, 2010 | 281 |
| Oct 15, 2010 | 244 |
| Oct 22, 2010 | 234 |
| Oct 29, 2010 | 216 |
| Nov 05, 2010 | 217 |
| Nov 12, 2010 | 228 |
| Nov 19, 2010 | 230 |
| Nov 26, 2010 | 257 |
| Dec 03, 2010 | 263 |
| Dec 10, 2010 | 269 |
| Dec 17, 2010 | 283 |

| Date | 4-Week Average Gulf Coast Weekly Refiner & Blender Net Production |
|--------------|---|
| Dec 24, 2010 | 256 |
| Dec 31, 2010 | 263 |
| Jan 07, 2011 | 274 |
| Jan 14, 2011 | 271 |
| Jan 21, 2011 | 305 |
| Jan 28, 2011 | 269 |

Inventories

Table 5 below provides monthly EIA data for PADD III inventories for residual fuel oil. Over the annual period of 2007 through November 2010, PADD III stocks varied from a high of over 20.7 million barrels in April 2010 to a low of approximately 13.5 million barrels in May 2007. According to the most recent EIA data, residual inventory levels were at 20.2 million barrels in November 2010.

Table 5: Selected Statistics for Residual Fuel Oil – Stocks PADD III¹²

(Monthly – Thousand Barrels)

| Month | 2007 | 2008 | 2009 | 2010 |
|-------|--------|--------|--------|--------|
| Jan | 16,722 | 16,285 | 14,387 | 19,871 |
| Feb | 15,462 | 17,679 | 17,662 | 20,454 |
| Mar | 17,622 | 18,612 | 16,991 | 19,175 |
| Apr | 16,394 | 16,649 | 14,444 | 20,702 |
| May | 13,548 | 16,888 | 16,922 | 20,051 |
| Jun | 14,459 | 18,894 | 15,825 | 20,024 |
| Jul | 17,933 | 16,649 | 15,712 | 18,513 |
| Aug | 15,553 | 17,594 | 14,417 | 17,425 |
| Sep | 14,814 | 18,408 | 15,551 | 18,681 |
| Oct | 16,796 | 18,489 | 14,640 | 19,805 |
| Nov | 16,962 | 18,025 | 17,108 | 20,156 |
| Dec | 17,276 | 16,442 | 18,719 | - |

Market Activity for New York and Gulf Coast Fuel Oil Markets

In the OTC swaps market, New York Harbor and Gulf Coast fuel oil are liquid derivative instruments, with trading volume of approximately one million to 1.5 million barrels per day. The typical OTC transaction size consists of 25,000 barrels. According to conversations with market participants, there are 40 to 50 transactions traded daily in the OTC swaps market. The bid/ask spreads are typically in increments of 10 cents to 20 cents per barrel, which reflects robust liquidity in the OTC market.

¹² EIA Stock Data - <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MRESTP31&f=M>.

Market Participants for New York and Gulf Coast Fuel Oil Markets

The New York Harbor and Gulf Coast fuel oil markets are diverse and actively traded by refiners, traders, importers, and smaller distributors. Below is a list of the market participants that are active in the fuel oil cash market. The cash market and OTC market participants are diverse and number around 25 to 30 commercial companies. A partial listing is as follows:

| <u>Refiners</u> | <u>Traders/Importers</u> | <u>Brokers</u> | <u>Financial (Swaps)</u> |
|-----------------|--------------------------|----------------|--------------------------|
| ConocoPhillips | Statoil | Bruggemann | Citibank |
| Valero | Vitol | ICAP | Deutsche Bank |
| Shell | Glencore | Amerex | Barclays |
| ExxonMobil | Trafigura | PVM | Merrill Lynch |
| BP | Koch | United | BankAmerica |
| Sunoco | Cargill | TFS Brokers | |
| Amerada Hess | Morgan Stanley | GFI Starsupply | |
| Citgo | Goldman Sachs (J. Aron) | | |
| Chevron | Irving Oil | | |
| | Lukoil Getty | | |
| | Global | | |
| | Sprague | | |
| | Hess Energy Trading | | |

II. EUROPEAN FUEL OIL MARKET OVERVIEW

Description

Fuel oil¹³, also called residual fuel oil, is a liquid petroleum product less volatile than gasoline and used as an energy source. Fuel oil is generally used in the production of electric power, space heating, vessel bunkering, and various industrial purposes.

Consumption, Production, Imports and Exports

The European fuel oil market in Amsterdam-Rotterdam-Antwerp (ARA) represents the largest hub in Europe for petroleum products, with extensive storage capacity and refining capacity. According to the EIA, during the 2006 to 2008 period, the total average annual imports for residual fuel oil was over 575,000 barrels per day of fuel oil supplied by refineries in The Netherlands, Germany, and France. This reflects an ARA market that is a vibrant import and supply center for residual fuel oil. The ARA market is the main supply center for European fuel oil, which includes 1.5% fuel oil, 1.0% fuel oil, and 3.5% fuel oil. During the 2006 to 2008 period, the total average annual demand for fuel oil in the ARA metropolitan area, which includes The Netherlands, Germany and Northern France, was more than 550,000 barrels per day. The EIA compiles consumption data from the International Energy Agency on the European market in their *International Energy Annual* publication at the link below:

<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=54&aid=2&cid=r3.&syid=2004&eyid=2008&unit=TBPD>

According to the EIA, during the 2006 to 2008 period, the average annual fuel oil imports for The Netherlands were approximately 400,000 barrels per day. In addition, the EIA data in Table 6 reflects local refinery average annual production of fuel oil in The Netherlands at around 200,000 barrels per day during the 2006 to 2008 period.

Data from Table 6 below demonstrates that total average annual consumption of fuel oil for France, Germany and Netherlands from 2006 to 2008 period was around 557,000 barrels per day. Total average annual production of fuel oil for these countries during the same period was greater than consumption, at approximately 643,000 barrels per day. Total average imports of fuel oil were around

¹³<http://www.eia.doe.gov/tools/glossary/index.cfm?id=F>.

578,000 barrels per day, slightly above the total average exports which were around 533,000 barrels per day during the 2006 to 2008 average annual period.

Table 6. Selected Statistics for Fuel Oil: Europe

(Thousand Barrels per Day)

| Item and Region | 2006 | 2007 | 2008 | Average 2006-2008 |
|---|------------|------------|------------|----------------------|
| Consumption, Fuel Oil¹⁴ | | | | |
| France | 119 | 113 | 104 | 112 |
| Germany | 178 | 181 | 174 | 178 |
| Netherlands | 287 | 272 | 245 | 268 |
| Total Consumption | 584 | 566 | 523 | 557 |
| Production, Fuel Oil¹⁵ | | | | |
| France | 210 | 202 | 201 | 204 |
| Germany | 242 | 242 | 212 | 231 |
| Netherlands | 215 | 212 | 196 | 208 |
| Total Production | 670 | 654 | 608 | 643 |
| Imports, Fuel Oil¹⁶ | | | | |
| France | 87 | 97 | 108 | 97 |
| Germany | 59 | 46 | 54 | 53 |
| Netherlands | 423 | 435 | 426 | 428 |
| Total Imports | 569 | 578 | 588 | 578 |
| Exports, Fuel Oil¹⁷ | | | | |
| France | 129 | 135 | 130 | 131 |
| Germany | 104 | 95 | 78 | 92 |
| Netherlands | 314 | 318 | 296 | 309 |
| Total Exports | 546 | 548 | 504 | 533 |

¹⁴ EIA Consumption Data,
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=2&cid=r3,&syid=2006&eyid=2008&unit=TBDP>

¹⁵ EIA Production Data,
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=1&cid=r3,&syid=2006&eyid=2008&unit=TBDP>

¹⁶ EIA Import Data,
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=3&cid=r3,&syid=2006&eyid=2008&unit=TBDP>

¹⁷ EIA Export Data,
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=4&cid=r3,&syid=2006&eyid=2008&unit=TBDP>

Prices

In this submission, NYMEX is self-certifying the listing of the Gulf Coast No. 6 Fuel Oil 3.0% vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures and the New York Fuel Oil 1.0% vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures contracts. Table 7 below reflects the final settlement prices provided by NYMEX in U.S. dollars and cents per metric ton for its existing European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures and European 1% Fuel Oil Cargoes FOB NWE (Platts) Swap Futures contracts, which constitute the second leg of the spread for these two new products under this self-certification.

Over the annual period of January 2008 to December 2010, 3.5% fuel oil barges fob Rotterdam prices varied from a high of 678.925 in July 2008 to a low of 183.610 in December 2008. According to the most recent data provided by NYMEX, the monthly average price was at 478.148 for the month of December 2010. Over the annual period of January 2008 to December 2010, 1% fuel oil cargoes fob North-West Europe reached a high of 773.185 in July 2008 and a low of 227.605 in December 2008. According to the most recent data provided by NYMEX, the monthly average price was at 489.066 for the month of December 2010.

Table 7. Selected Statistics for Fuel Oil: Prices

| Year | Month | European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures | European 1% Fuel Oil (Platts) Cargoes FOB NWE Calendar Swap Futures |
|------|-------|---|--|
| 2008 | Jan | 442.930 | 494.304 |
| | Feb | 421.136 | 474.689 |
| | Mar | 465.118 | 509.833 |
| | Apr | 483.207 | 554.973 |
| | May | 519.573 | 583.397 |
| | Jun | 575.723 | 653.740 |
| | Jul | 678.925 | 773.185 |
| | Aug | 610.423 | 667.893 |
| | Sep | 541.630 | 561.568 |
| | Oct | 405.412 | 465.744 |
| | Nov | 219.865 | 305.857 |
| | Dec | 183.610 | 227.605 |

| Year | Month | European 3.5% Fuel Oil Barges FOB Rdam (Platts) Swap Futures | European 1% Fuel Oil (Platts) Cargoes FOB NWE Calendar Swap Futures |
|------|-------|---|--|
| 2009 | Jan | 214,355 | 242,573 |
| | Feb | 233,023 | 243,168 |
| | Mar | 223,746 | 231,464 |
| | Apr | 268,147 | 281,276 |
| | May | 313,735 | 317,164 |
| | Jun | 372,548 | 381,796 |
| | Jul | 367,010 | 373,948 |
| | Aug | 415,485 | 431,565 |
| | Sep | 399,241 | 414,885 |
| | Oct | 410,979 | 425,843 |
| | Nov | 448,300 | 469,454 |
| | Dec | 432,953 | 447,305 |
| 2010 | Jan | 458,357 | 445,113 |
| | Feb | 430,331 | 461,690 |
| | Mar | 445,308 | 486,912 |
| | Apr | 459,250 | 469,295 |
| | May | 439,873 | 438,389 |
| | Jun | 416,370 | 449,298 |
| | Jul | 412,740 | 473,131 |
| | Aug | 439,039 | 452,955 |
| | Sep | 426,143 | 469,634 |
| | Oct | 455,688 | 485,553 |
| | Nov | 469,717 | 488,146 |
| | Dec | 478,148 | 508,602 |

Market Activity

The European fuel oil market is priced in units of dollars per metric ton. The conversion factor is 6.35 barrels per metric ton. According to industry sources, the estimated trading volume of fuel oil (converted to barrel equivalents) in the ARA cash market is approximately 500,000 to 700,000 barrels per day. The typical transaction size is approximately 35,000 to 40,000 barrels. The volume of spot transactions is typically more than half of all cash transactions. There is active trading in forward cash deals and in the OTC swaps market. The bid/ask spreads are typically in increments of 50 cents per metric ton (or around 0.10 cents per gallon equivalent), which reflects robust liquidity in the cash market.

Market Participants

The market participation in European fuel oil is diverse and includes many of the same commercial entities that are active in the New York Harbor market. The European cash market and OTC market participants number 30 to 40 commercial companies. A partial listing is as follows:

| <u>Refiners</u> | <u>Traders/End Users</u> | <u>Brokers</u> | <u>Financial (Swaps)</u> |
|----------------------|--------------------------|----------------|--------------------------|
| ConocoPhillips | Sempra | GFI Starsupply | Citibank |
| Valero | Vitol | PVM | Deutsche Bank |
| Shell | Glencore | Man Financial | Barclays |
| ExxonMobil | Trafigura | ICAP | |
| BP | Northville | Aspen Oil | |
| Total | Cargill | GFI Spectron | |
| Koch Petroleum | Morgan Stanley | TFS | |
| Repsol | Goldman Sachs | Amerex | |
| CEPSA | Koch | Prebon | |
| Netherlands Refining | Mabanaft | | |
| OMV | Phibro | | |
| | Arcadia | | |
| | Mercuria | | |
| | Noble Energy | | |

ANALYSIS OF DELIVERABLE SUPPLY

The spot month position limits for the seven new petroleum contracts will be aggregated with the position limits for their respective, existing, underlying futures contracts.

Please note that with regard to both markets, at this time, the Exchange is not including stocks data in its analysis of deliverable supply. Stocks data tend to vary and, at least upon launch of products, we would rather not condition recommended position limits based on stock data. Further, the Exchange has determined not to adjust the deliverable supply estimate based on the spot availability because spot market liquidity is not restrictive and tends to vary depending on the market fundamentals of demand and supply. The typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply. Also, the spot trading is not restricted in that it could increase if the market demand increases. Therefore, we believe that it is not necessary to adjust the deliverable supply estimate on the basis of the spot trading, because this does not restrict the deliverable supply, and spot trading volume can expand to allow for more supply to flow if needed in the spot market.

With regard to the Gulf Coast Fuel Oil market, in its analysis of deliverable supply, the Exchange concentrated on data for the Gulf Coast (PADD III) refinery production for residual fuel oil, which is the main production and trading center for the U.S. market. To be conservative, we have focused on the Gulf Coast residual fuel oil production capacity in PADD III using the EIA data in Table 4 above. For the leg of the spread that is based on the Gulf Coast Fuel Oil market, the Exchange has set the position limits at 1,000 contracts, with aggregation into the underlying swap contracts. Based on the refinery production data provided by the EIA, we believe that the total residual fuel supply in the Gulf Coast area for the weekly period ranging from May 30, 2008 to December 3, 2010 was approximately 270,000 barrels per day, which is equivalent to 8.1 million barrels per month or 8,100 contract equivalents (contract size: 1,000 barrels). Thus, the spot month position limits of 1,000 contract units, which is equivalent to one million barrels, is approximately 12% of the 8,100 contract equivalents of monthly supply.

For the three new futures contracts based on the New York Harbor fuel oil market, the Exchange has set the spot position limits conservatively based on the consumption data for the PADD I area. In its

analysis of deliverable supply, the Exchange concentrated on the total average demand for fuel oil in PADD I, due to its importance as a demand area. According to EIA data in Table 1 above, consumption was approximately 280,000 barrels per day for the 2007 to 2009 average period, which is equivalent to 8.4 million barrels per month or 8,400 contract equivalents (for contract size of 1,000 barrels). The Exchange has set the spot month limit for the New York 0.3% Fuel Oil HiPr (Platts) swaps futures contract at 500 contracts, which is equivalent to 500,000 barrels, is approximately 6% of the 8,400 contract equivalents of monthly supply. The associated BALMO futures contract will have the same position limit and will aggregate with the limit in the underlying contract. The Exchange has set the spot month position limit at 300 contracts for the New York 0.7% Fuel Oil (Platts) swap futures contract and the New York 2.2% Fuel Oil (Platts) swap futures contract, which is equivalent to less than 4% of the 8,400 contract equivalents of monthly supply. In addition, the Exchange has set the spot month position limit at 300 contracts for the New York 3.0% Fuel Oil (Platts) BALMO swap futures, which is identical to the underlying contract, and is equivalent to less than 4% of the 8,400 contract equivalents of monthly supply. Further, the corresponding BALMO futures contracts will have the same position limits and will aggregate with the limit in the underlying contract.

With regard to the new spread contract that is based on the differential between two New York Fuel Oil futures contracts, the Exchange has set the position limits to correspond to the limits of the underlying contracts, with aggregation into the underlying swap contracts. This new spread contract (New York 0.3% Fuel Oil HiPr vs. New York Fuel Oil 1.0% (Platts) swap futures contract) will have the same position limit as the two underlying contracts. The existing spot month position limit for the underlying New York 1.0% Fuel Oil (Platts) swap futures contract is 1,000 contracts, which is equivalent to one million barrels, or less than 12% of the 8,400 contract equivalents of total monthly supply.

With regard to the European Fuel Oil market, in its analysis of deliverable supply, the Exchange concentrated on data for the European refinery production for residual fuel oil, which is the main production center for the European market. For the leg of the spread that is based on the European Fuel Oil swap futures contracts, the Exchange has set the position limits at 150 contracts with contract size of 1,000 metric tons, which is equivalent to 950,000 barrels. The two new spread contracts that utilize the existing European 3.5% and 1% Fuel Oil swap futures contracts will have the same position limit as the

existing contracts, and will aggregate into the underlying swap contracts. Further, the 1,000 barrel contract size for the new spread contracts will be converted to the metric ton equivalent size for aggregation with the existing European Fuel Oil swap futures contracts. Based on the refinery production data provided by the EIA (Table 6 above), the total residual fuel supply in the European market was approximately 640,000 barrels per day, which is equivalent to 19 million barrels per month, or 19,000 contract equivalents (contract size: 1,000 barrels). This is also equivalent to 3,000 contract equivalents for the contract size of 1,000 metric tons. Thus, the existing spot month position limits of 150 contract units for the European Fuel Oil Contracts of 1,000 metric ton size is approximately 5% of the 3,000 contract equivalents of monthly supply.
