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Sean M. Downey
Associate Director and Assistant General Counsel
Legal Department

OFFICE OF THE
SECRETARIAT

March 8, 2012

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 40.2(a) Certification. Notification Regarding the Listing of Dated Brent (Platts) BALMO Swap Futures Contract on CME ClearPort® and the NYMEX Trading Floor NYMEX Submission 12-069

Dear Mr. Stawick:

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 Dated Brent (Platts) BALMO Swap futures contract for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort beginning on Sunday, March 11, 2012, for trade date Monday, March 12, 2012.

The contract specifications are as follows:

Contract	Code	Rule Chapter	Listing Schedule	First Listed Contract	Contract Size	Prices and Fluctuations	Termination of Trading
Dated Brent (Platts) BALMO Swap Futures	DBB	1193	One month and the following month listed 10 business days prior to the start of the contract month.	Mar-12	1,000 barrels	Minimum price tick = \$0.001 Final settlement tick = \$0.001 Value per tick = \$1.00	Trading shall cease on the last business day of the contract month

Trading and Clearing Fees:

	Member Day	Member	Cross Division	Non-Member	IIP
Pit	n/a	\$0.85	\$1.05	\$1.25	
Globex	n/a	n/a	n/a	n/a	n/a
ClearPort		\$0.85		\$1.25	
Processing Fees					
	Member	Non-Member			
Cash Settlement	\$0.10	\$0.10			
Futures from E/A	n/a	n/a			
Additional Fees and Surcharges					
EFS Surcharge	n/a				
Block Surcharge	n/a				
Facilitation Desk Fee	\$0.20				

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

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).

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the proposed 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, diminishing balances and reportable level and aggregation allocation for the new contract.

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

- Prevention of Market Disruption: Trading in this contract will be subject to the NYMEX rules ("Rulebook") Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new product will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department.
- Contracts not Readily Subject to Manipulation: The new contract is 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 to support the final settlement index as assessed and published by Platts (methodology provided in the attached Cash Market Overview).
- Compliance with Rules: Trading in this contract will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this contract will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 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 product will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- Position Limitations or Accountability: The spot month position limit for the new product is set at conservative levels that are approximately less than 4% of the monthly deliverable supply in the underlying market. Each contract will be aggregated with positions held in the underlying Dated Brent (Platts) Calendar Swap futures.
- Availability of General Information: The Exchange will publish information on the contract's 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.

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- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by the Clearing House of the Chicago Mercantile Exchange Inc. which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Execution of Transactions: The new contract is dually listed for clearing through the CME ClearPort platform and for open outcry trading on the NYMEX trading floor. The CME ClearPort platform provides a competitive, open and efficient mechanism for novating transactions that are competitively executed by brokers. In addition, the NYMEX trading floor is available as an additional venue to 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 this product.
- Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in this contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this product are identified.
- Dispute Resolution: Disputes with respect to trading in this contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2, the Exchange hereby certifies that the attached contract complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal. A description of the cash market for this new product 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 (312) 930-8167 or Sean.Downey@cmegroup.com.

Sincerely,

/s/Sean M. Downey
Associate Director and Assistant General Counsel

Attachments: Appendix A: Rule Chapter
Appendix B: Chapter 5 Table
Appendix C: Cash Market Overview and Analysis of Deliverable Supply

Chapter 1193 Dated Brent (Platts) BALMO Swap Futures

1193100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures 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.

1193101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is the balance-of-month arithmetic average of the mid-point between the high and low quotations from Platts Crude Oil Marketwire for Brent (Dated) starting from the selected start date through the end of the contract month, inclusive.

1193102. TRADING SPECIFICATIONS

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

1193102.A. Trading Schedule

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

1193102.B. Trading Unit

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.

1193102.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.

1193102.D. Position Limits and Position Accountability

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in Dated Brent (Platts) Calendar Swap futures. Each position in the contract will be calculated as a single position in the Dated Brent (Platts) Calendar Swap futures contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (Dated Brent (Platts) Calendar Swap futures) contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 5,000 Dated Brent (Platts) Calendar Swap futures-equivalent contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 5,000 Dated Brent (Platts) Calendar Swap futures-equivalent contracts net long or net short in any single contract month excluding the spot month.

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

1193102.E. Termination of Trading

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

1193103. 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.

1193104. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW-HILL COMPANIES, INC. ("PLATTS") GUARANTEES THE ACCURACY NOR COMPLETENESS OF THE 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 PRICE

ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE 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 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 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 contract and Platts makes no recommendations concerning the advisability of investing in the contract.

NYMEX Rulebook Chapter 5 Position Limit Table
(Bold/underline indicates additions)

<u>Contract Name</u>	<u>Rule Chapter</u>	<u>Commodity Code</u>	<u>Diminishing Balances Contracts</u>	<u>All Month Accountability Level</u>	<u>Any One Month Accountability Level</u>	<u>Expiration Month Limit</u>	<u>Reporting Level</u>	<u>Aggregate Into (1)</u>
				<u>Rule 560</u>	<u>Rule 560</u>	<u>Rule 559</u>	<u>Rule 561</u>	
<i>Petroleum</i>								
<i>Europe</i>								
<i>Northwest Europe</i>								
<u>Dated Brent (Platts) BALMO Swap Futures</u>	<u>1193</u>	<u>DBB</u>	<u>*</u>	<u>5.000</u>	<u>5.000</u>	<u>1.000</u>	<u>25</u>	<u>UB</u>

CASH MARKET OVERVIEW

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is self-certifying the listing of Dated Brent (Platts) BALMO Swap futures contract for trading on the NYMEX trading floor and for clearing through CME ClearPort. This new contract is a balance-of-month ("BALMO") contract based on an existing Exchange-listed Dated Brent (Platts) Swap futures contract (chapter 647, commodity code UB).

PRICE SOURCES

Platts, a division of The McGraw-Hill Companies, Inc. ("Platts") is the price reporting service used for the final settlement for the Dated Brent (Platts) BALMO Swap futures contract. 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 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.

BALANCE-OF-MONTH CONTRACTS

The final settlement for the BALMO swap futures contract 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 or Argus 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-

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

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.

BRENT CRUDE OIL MARKET

The new Dated Brent (Platts) BALMO Swap futures is financially settled using the Platts Dated Brent assessment. While the pricing reference for North Sea light sweet crude is referred to as Brent, pricing no longer refers solely to the product of the Brent oilfield, due to the decline in its production level.

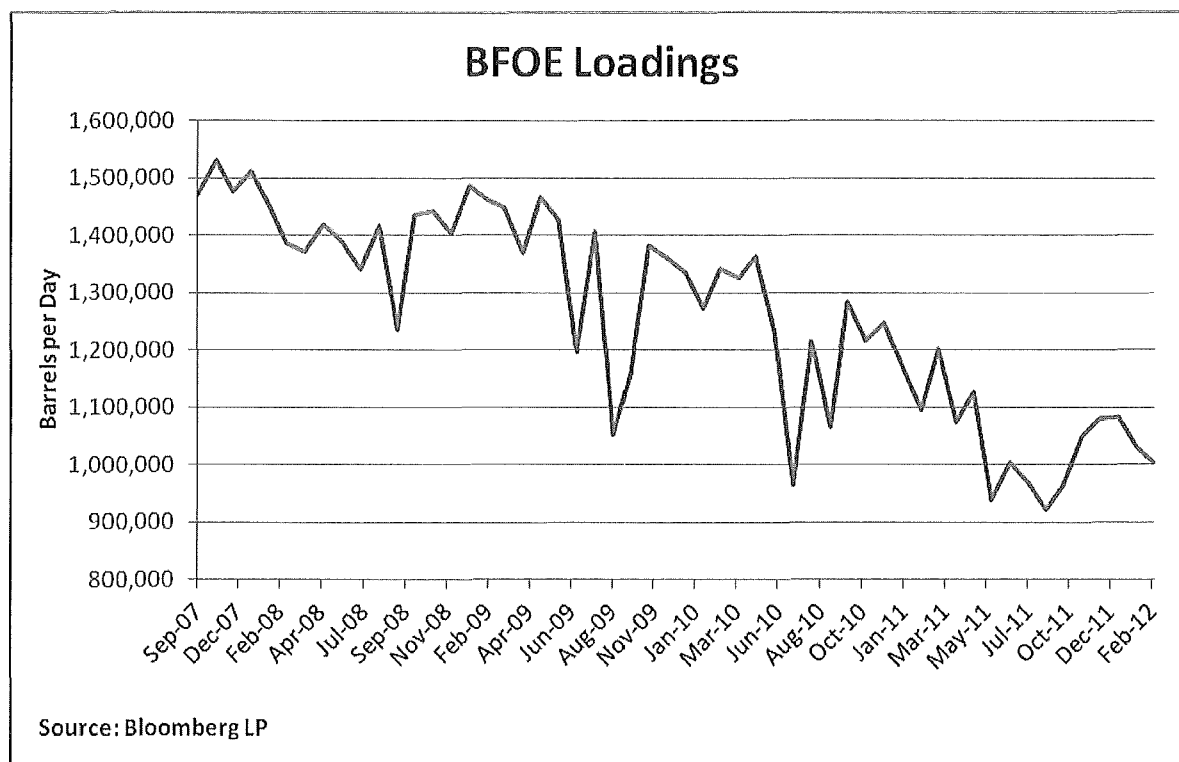
The Dated Brent price assessment represents the price of physical cargoes with a known loading date between 10 and 25 days forward. The term 'dated' refers to the physical cargo price for North Sea Brent light crude which has been allocated a specific forward loading date. North Sea light sweet crude oil grades which include Forties, Oseberg, and Ekofisk are deliverable into the Dated Brent contract. The Dated Brent spot market assessment is used to price many grades of physical crude oil in the North Sea, Russia, and West Africa. Both the Dated Brent assessment and each of the cash Brent assessments are published on a daily basis.

Production

The Brent market is comprised of four North Sea crude oil grades: Brent, Forties, Oseberg, and Ekofisk ("BFOE" or "Brent"). The standard cargo size in the BFOE market is 600,000 barrels. These four North Sea grades are segregated blends delivered at different locations in the North Sea, and each can be substituted by the seller in the 21-Day BFOE cash market. Bloomberg LP ("Bloomberg") provides details of the loading programs for the four grades that amalgamate the Brent market. According to data published by Bloomberg², daily crude oil production for these four grades has been declining over the past few years, as shown in Chart 1.

² See various news reports at www.bloomberg.com, for example <http://www.bloomberg.com/news/2011-08-10/north-sea-ekofisk-crude-oil-loadings-at-14-cargoes-in-september.html>, although consolidated loading data requires a subscription to access.

Chart 1: Monthly combined loadings of Brent, Forties, Oseberg, Ekofisk crude grades



According to Bloomberg, for the twelve months ending February 2012, planned production for the four BFOE fields combined averaged 1.02 million barrels per day.

The four BFOE fields lie in the North Sea. Brent and Forties are in the UK sector, whilst Ekofisk and Oseberg are in the Norwegian sector. The U.S. Department of Energy's Energy Information Administration ("EIA") publishes data for crude oil production at a country level. The country levels below encompass more than the four BFOE fields. However, they are indicative of the amount of oil production from the region that is traded with reference to the Dated Brent price benchmark. Production data is shown below in Table 1.

Table 1: Crude Oil Production³ (Barrels per Day)

	2006	2007	2008	2009	2010
Norway	2,786.4	2,564.8	2,463.5	2,350.2	2,133.5
UK	84.6	80.6	80.7	79.4	74.4
UK (Offshore)	1,602.1	1,601.8	1,502.9	1,422.1	1,318.7

³ See: <http://www.eia.gov/cfapps/ipdbproject/IEDIndex3.cfm?tid=5&pid=53&aid=1>

Market Participants

Brent crude oil has active over-the-counter (“OTC”) physical and paper markets. The liquidity in the cash and OTC swaps market is robust. The OTC market participation is deep and diverse, and includes both cash market and OTC market players. The Brent cash and OTC market participants include many commercial companies, refiners, end users, brokers and financial institutions with over 50 participants.

ANALYSIS OF DELIVERABLE SUPPLY

The spot month position limits for the new Dated Brent (Platts) BALMO Swap futures contract will be aggregated with the position limits for the Exchange listed underlying Dated Brent (Platts) Calendar Swap futures contract (chapter 647, commodity code UB).

Please note that, at this time, with regard to the Brent Crude Oil, 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 spot trading activity as it 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.

In its analysis of deliverable supply, the Exchange concentrated on production data for Brent-related (BFOE) crude oil. To be conservative, the Exchange has set the position limits at 1,000 contracts, with aggregation into the Exchange's existing underlying Dated Brent (Platts) Calendar Swap futures contract. As provided in the cash market overview section of this submission, according to Bloomberg, the production of Brent crude oil is approximately 1.02 million barrels per day, which is equivalent to 30 million barrels per month or 30,000 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 less than 4% of the 30,000 contract equivalents of monthly supply.