



RECEIVED  
SECRETARIAT

MAR 25 AM 1:46

SECRETARIAT

March 24, 2009

**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 #09.40:  
Notification of Amendment to NYMEX Rule 920.06 (“U.S. Midwest Domestic Hot-  
Rolled Coil Steel Index Futures – Termination of Trading”)**

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 amendment to Rule 920.06 (“U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures – Termination of Trading”). Rule 920.06 is being amended such that the trading in U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures contract shall cease on the business day immediately preceding the last Wednesday of the contract month rather than the fourth Wednesday of the contract month as it currently states. This amendment is being implemented to better coordinate contract termination with a recent enhancement to the price assessment procedures introduced by the index provider, CRU International, Ltd. (“CRU”)

CRU recently increased the frequency of its collection of data used for the final settlement reference for the U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures contract from twice a month to every week of the month (the assessments are publicly released every Wednesday.) There are no biases introduced by this change. Additionally, CRU communicated its intention to increase the frequency of its assessments with the steel industry for a period of at least six months prior to introducing this enhancement. The increased frequency of data collection has been welcomed by the steel industry. Furthermore, the contract terms and conditions state that all available price assessments will be averaged to calculate the final settlement price.

As stated above, the contract currently calls for termination of trading on the business day preceding the fourth Wednesday of the contract month. During a contract month containing four Wednesdays, regardless of the increased frequency of CRU’s data collection, termination of trading will occur one business day prior to the release of the final component of the final index. However, as a result of CRU’s enhancement to the frequency of data collection, during a contract month containing five Wednesdays, the current termination of trading occurs more than a week prior to the release of the final price assessment. In order to better serve the industry, we believe that trading in a contract month should terminate one business day prior to the release of the final assessment to be used in the final settlement index. As such, we propose to amend termination of trading for the U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures contract to the business day immediately preceding the last Wednesday of the contract month. There continues to be no change in final settlement as a result of our proposed

amendment. All available price assessments and the current methodology utilized in connection with these assessments will continue to be implemented to calculate the final settlement price for this contract. Therefore, we do not believe that this amendment will affect the value of this contract. This amendment will become effective on Thursday, March 26, 2009.

The first contract to be impacted by this amendment to termination of trading is the April 2009 contract whose termination would be changed from the date preceding April 22, 2009 to the date immediately preceding April 29, 2009.

The current open interest for U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures contract is listed in the table below. We have discussed the proposed amendment with each of the holders of open interest in the market and they are agreeable to the proposed change.

<b>Contract Month</b>	<b>Open Interest</b>
April 2009	10
May 2009	15
June 2009	60
July 2009	60
August 2009	50
September 2009	55
October 2009	60
November 2009	60
December 2009	60
<b>Total Open Interest</b>	<b>430</b>

Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the change in the termination of trading date complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Robert A. Levin at (212) 299-2390 or the undersigned at (202) 638-3838.

Sincerely,



De'Ana H. Dow  
 Managing Director  
 Government Relations

Attachment

(bold/underline indicates additions; ~~bold/strikethrough~~ indicates deletions)

## **U.S. Midwest Domestic Hot-Rolled Coil Steel Index Futures**

### **920.01 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.

### **920.02 Floating Price**

The Floating Price for each contract month is equal to the average price calculated for all available price assessments published for that given month by the CRU U.S. Midwest Domestic Hot-Rolled Coil Steel Index.

### **920.03 Contract Quantity and Value**

The contract quantity shall be twenty (20) short tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

### **920.04 Contract Months**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

### **920.05 Prices and Fluctuations**

Prices shall be quoted in U.S. dollars and cents per ton. The minimum price fluctuation shall be \$5 per short ton. There shall be no maximum price fluctuation.

### **920.06 Termination of Trading**

Trading shall cease on the business day immediately preceding the ~~fourth~~ <sup>(4<sup>th</sup>)</sup> last Wednesday of the contract month.

### **920.07 Final Settlement**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of the 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.

### **920.07a Daily Settlement Price**

Settlement prices for days other than that which is addressed in Rule 920.07 shall be established pursuant to this rule and shall be determined by the President's designee. For purposes of this rule, the President's designee shall refer to Exchange staff from various Exchange departments assigned to this responsibility ("Staff"). Staff shall determine such prices by considering market information deemed to be appropriate, and such information may include, but is not limited to:

- (1) trading activity on Globex;
- (2) price data obtained from a cross-section of over-the-counter (“OTC”) brokers collectively representing both buyers and sellers in OTC markets;
- (3) price data obtained from OTC market participants, considering both buyers and sellers in such markets;
- (4) price data from other sources deemed to be reliable and accurate; and
- (5) other relevant data and information.

**920.08 Exchange of Futures for, or in Connection with Product EFP and Exchange of Futures for, or in Connection with Swap EFS Transactions**

Any EFP or EFS shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

**920.09 Disclaimer**

NEITHER CME GROUP INC., NEW YORK MERCANTILE EXCHANGE, INC. NOR ANY OF THEIR AFFILIATES (COLLECTIVELY “CME”) NOR CRU GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN.

NEITHER CME NOR CRU MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACTS, OR, FOR ANY OTHER USE. NEITHER CME NOR CRU MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AND EACH HEREBY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CME OR CRU 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.