CME Group
A CME/Chicago Board of Trade/NYMEX Company

April 8, 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 # 11-136: Notification Regarding the Listing of Four (4) New Petroleum 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 four (4) new financially settled petroleum futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort beginning on Sunday, April 17, 2011, for trade date Monday, April 18, 2011.

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

Contract	Code	Rule Chapter
Mini Singapore Fuel Oil 380 cst (Platts) Swap Futures	MTS	1051
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread Swap Futures	SSD	1052
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread BALMO Swap Futures	SSB	1053
Mini Singapore Fuel Oil 380 cst (Platts) BALMO Swap Futures	MTB	1054

NYMEX 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 SUMMARY

- **First Listed Month:** MTS and SSD = May 2011
  MTB and SSB = April 2011
- **Listing Period:** MTS and SSD = 36 consecutive months;
  MTB and SSB = One month and the following month listed 10 business days prior to the start of the contract month.
- **Contract Size:** MTS and MTB = 100 Metric Tons; SSD and SSB = 1,000 Barrels

- **Termination of Trading:** MTS, MTB, SSD and SSB: Trading shall cease on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.
- **Minimum Price Intervals:** MTS, MTB, SSD and SSB – Minimum price tick = $0.001
- **Value per Tick:** MTS and MTB = $0.10, SSD and SSB = $1.00
- **Minimum Settlement Tick:** MTS, MTB, SSD and SSB = $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).

- **Exchange Fees:**

Contract	CME ClearPort Rates		NY Trading Floor Rates		Cash Settlement Fee	
Mini Singapore Fuel Oil 380 cst (Platts) Swap Futures	Member	$0.85	Member	$0.85	Member	$0.10
	Non-Member	$1.25	Non-Member	$1.25	Non-Member	$0.10
			Blended Floor	$1.05		
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread Swap Futures	Member	$0.85	Member	$0.85	Member	$0.10
	Non-Member	$1.25	Non-Member	$1.25	Non-Member	$0.10
			Blended Floor	$1.05		
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread BALMO Swap Futures	Member	$0.85	Member	$0.85	Member	$0.10
	Non-Member	$1.25	Non-Member	$1.25	Non-Member	$0.10
			Blended Floor	$1.05		
Mini Singapore Fuel Oil 380 cst (Platts) BALMO Swap Futures	Member	$0.85	Member	$0.85	Member	$0.10
	Non-Member	$1.25	Non-Member	$1.25	Non-Member	$0.10
			Blended Floor	$1.05		

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. This submission will be made effective on trade date April 18, 2011.

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

Chapter 1051
Mini Singapore Fuel Oil 380 cst (Platts) Swap Futures

1051.01 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.

1051.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of the high and low quotations from the Platts Asia-Pacific Marketscan for HSFO 380cst (High-Sulfur Fuel Oil) under the heading "Singapore Physical Cargoes" for each business day that it is determined during the contract month.

1051.03 CONTRACT QUANTITY AND VALUE

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

1051.04 CONTRACT MONTHS

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

1051.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be $0.001 per metric ton. There shall be no maximum price fluctuation.

1051.06 TERMINATION OF TRADING

Trading shall terminate on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.

1051.07 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.

1051.08 EXCHANGE FOR RELATED POSITION

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

1051.09 DISCLAIMER

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Chapter 1052
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread Swap Futures

1052.01 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.

1052.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of the high and low quotations from the Platts Asia-Pacific Marketscan for HSFO 180cst (High-Sulfur Fuel Oil) under the heading "Singapore Physical Cargoes" minus the mid-point of the high and low quotations from the Platts Oilgram Price Report for Dubai Crude Oil for each business day during the contract month (using non-common pricing).

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 6.5 barrels per metric ton.

1052.03 CONTRACT QUANTITY AND VALUE

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

1052.04 CONTRACT MONTHS

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

1052.05 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.

1052.06 TERMINATION OF TRADING

Trading shall terminate on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.

1052.07 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.

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Chapter 1053
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread BALMO Swap Futures

1053.01 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.

1053.02 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 the Platts Asia-Pacific Marketscan for HSFO 180cst (High-Sulfur Fuel Oil) under the heading "Singapore Physical Cargoes" minus the mid-point of the high and low quotations from the Platts Oilgram Price Report for Dubai Crude Oil for each business day starting from the selected start date through the end of the contract month, inclusive (using non-common pricing).

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 6.5 barrels per metric ton.

1053.03 CONTRACT QUANTITY AND VALUE

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

1053.04 CONTRACT MONTHS

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

1053.05 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.

1053.06 TERMINATION OF TRADING

Trading shall terminate on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.

1053.07 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.

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Chapter 1054
Mini Singapore Fuel Oil 380 cst (Platts) BALMO Swap Futures

1054.01 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.

1054.02 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 price quotations from the Platts Asia-Pacific Marketscan for Singapore High Sulfur Fuel Oil 380cst (Waterborne Cargo) starting from the selected start date through the end of the contract month, inclusive.

1054.03 CONTRACT QUANTITY AND VALUE

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

1054.04 CONTRACT MONTHS

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

1054.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. Dollars and Cents per metric ton. The minimum price fluctuation shall be $0.001 per metric ton. There shall be no maximum price fluctuation.

1054.06 TERMINATION OF TRADING

Trading shall terminate on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.

1054.07 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.

1054.08 EXCHANGE FOR RELATED POSITION

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CASH MARKET OVERVIEW

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is self-certifying the listing of four (4) financially settled petroleum futures contracts (listed in the table below) for trading on the NYMEX trading floor and for clearing through CME ClearPort. The contracts are comprised of two outrights, and two spread futures contracts, a description of which is provided below.

Contract	Code	Rule Chapter
Mini Singapore Fuel Oil 380 cst (Platts) Swap Futures	MTS	1051
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread Swap Futures	SSD	1052
Singapore Fuel Oil 180 cst (Platts) 6.5 Dubai Crack Spread BALMO Swap Futures	SSB	1053
Mini Singapore Fuel Oil 380 cst (Platts) BALMO Swap Futures	MTB	1054

BALANCE-OF-MONTH CONTRACTS

The final settlement for the BALMO swap futures contracts is equal to the balance-of-month arithmetic average of the mid-point between the high and low quotations from the specified index, 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 SOURCE

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 methodology[1] 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.

SINGAPORE FUEL OIL MARKET

Singapore 180cst and 380cst fuel oil are part of the "residual" fuel oil segment, which is used by utilities and the shipping industry. Residual fuel oil is also used as a refinery input to produce additional petroleum products. The main trading hub for the Asian fuel oil market is Singapore, where extensive storage capacity and refining infrastructure exists. Singapore is a vibrant import/export center for petroleum products, and is also the primary location for energy trading firms. The Singapore petroleum markets are highly diverse and actively traded by refiners, traders, importers, and smaller distributors.

The U.S. Energy Information Administration ("EIA") data show demand for fuel oil in Singapore is approximately 520,000 barrels per day, and refinery production of fuel oil is around 170,000 barrels per day for the average annual period of 2005 – 2007. Further, the EIA provides import data for the Singapore market (see Table 1 below) at around 650,000 barrels per day and a robust export volume of almost 270,000 barrels per day for the same period.

The Singapore fuel oil market is priced in units of dollars per metric ton. The conversion factor for the fuel oil crack spread is 6.5 barrels per metric ton. The estimated trading volume of fuel oil (converted to barrel equivalents) in the Singapore cash market is approximately 800,000 to one million barrels per day. The typical transaction size is around 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

[1] http://www.platts.com/IM.Platts.Content/methodologyreferences/methodologyspecs/asiaoilproductspecs.pdf

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.

Table 1. Selected Statistics for Fuel Oil: Singapore

(Thousand Barrels per Day)

Singapore Residual Fuel Oil	2005	2006	2007	Average 2005-2007
Annual Consumption[2]	490.0	529.5	553.8	524.4
Annual Production, Fuel Oil[3]	192.1	168.5	151.6	170.7
Imports, Fuel Oil[4]	555.0	683.9	712.4	650.4
Exports, Fuel Oil[5]	219.6	287.1	310.9	272.5

Singapore Fuel Oil Market Participants

In the Asian OTC market, Singapore 180 and 380 cst fuel oil swaps typically trade as outright contracts. The Singapore fuel oil market is priced in units of dollars per barrel. There is active trading in forward cash deals for cargoes. The bid/ask spreads are typically in increments of 10 cents per barrel and there is a wide range of participants. Deals take place bilaterally, through OTC brokers and many are openly reported on the Platts screen pricing system.

The Singapore fuel oil (or residual fuel oil) market is actively traded, with estimated trading volume in the Singapore cash market at approximately 800,000 to one million barrels per day. The typical transaction size is around 25,000 barrels. The volume of spot transactions is more than half of all cash transactions. There is active trading in both forward cash deals and in OTC fuel oil swaps. The bid/ask spreads are typically in increments of 10 to 20 cents per barrel, which shows robust liquidity in the cash market.

[2] EIA Consumption Data, http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=2&cid=SN,&syid=2004&eyid=2008&unit=TBPD

[3] EIA Production Data, http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=1&cid=SN,&syid=2004&eyid=2008&unit=TBPD

[4] EIA Import Data, http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=3&cid=SN,&syid=2004&eyid=2008&unit=TBPD

[5] EIA Export Data, http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=4&cid=SN,&syid=2004&eyid=2008&unit=TBPD

Furthermore, there is an active OTC swaps market with many market participants that utilize fuel oil swaps to hedge their fuel price risk. The market participation in Singapore is diverse and includes many of the same commercial entities that are active in the New York Harbor market. The Singapore cash market and OTC market participants include 30 to 40 commercial companies. A partial listing is as follows:

Refiners	Traders/End Users	Brokers	Financial (Swaps)
ConocoPhillips	Hess Energy Trading	GFI Starsupply	Societe Generale Bank
Sinochem (China)	Vitol	PVM	Deutsche Bank
Unipec (China)	Glencore	Man Financial	Barclays
ExxonMobil	Total	ICAP	
BP	Sempra	Aspen Oil	
Singapore Refining	Cargill	GFI Spectron	
Shell	Morgan Stanley	TFS	
SK Corp. (Korea)	Goldman Sachs	Amerex	
Hyundai (Korea)	Koch	Ginga Petroleum	
LG-Caltex (Korea)	Trafigura		
Itochu (Japan)	Phibro		
Mitsubishi (Japan)	Mercuria		
Mitusi (Japan)	Koch Petroleum		
Reliance (India)			

I. DUBAI CRUDE OIL MARKET

Overview

Oman crude oil is seen by many market participants as a preferred benchmark for Middle East sour crude oil for a number of reasons. Oman crude oil quality is broadly representative of other Middle East crude oils. The production levels and tradability of Oman crude oil are sufficient to support benchmark status. The market for Oman crude oil is deep, liquid, and transparent, consisting of a physical forward market, physical spot market and an active OTC swaps and options market. There are numerous participants in the market with no single party dominating the secondary market trading of physical cargoes or financial contracts. PDO is a joint venture owned 60% by the Oman government, 34% by Shell, 4% by Total, and 2% by Partex. In addition, Occidental Petroleum and other private oil companies have extensive oil production in Oman, which account for the production of an additional 150,000 barrels per day of oil. Further, PDO announced it had discovered three new oil fields that will help expand its crude oil production after 2011 to approximately 900,000 barrels per day. Thus, while

the percentage of oil controlled by the PDO may fluctuate over time, the overall crude supply that is delivered at the DME's delivery point is quite large and is expected to increase in the next several years.

The number of multiple producers and end-users of Oman crude oil boosts transparency and spot market activity in the Oman cash market. Additionally, Oman is not a member of OPEC. Consequently, Oman crude oil is not subject to OPEC production, destination or end-user restrictions. The Oman government sells most of its equity share of production through term contracts, and some of these term cargoes are resold in the spot market. The remaining share of Oman crude oil production that is owned by private oil companies is typically sold in the spot market. Thus, there is robust trading activity in the Oman crude oil spot market. The standard cargo size is 500,000 barrels, and there are typically around 40 cargoes loaded per month at Oman's port, Mina al Fahal.

The Mina al Fahal port is a deep water port that is located approximately 100 miles outside of the entrance to the Straits of Hormuz and can accommodate variable cargo sizes and ultra large crude carriers. The terminal is able to load three vessels simultaneously, has minimal load port restrictions on vessel draft and also has best in-class loading measurement and delivery procedures. In addition, as this is a warm weather port, there are no seasonality factors that would restrict the loading activity. Oil exports from Iran, Iraq, Kuwait and Saudi Arabia pass through the strategically important Straits of Hormuz, but Omani crude oil does not. The Straits of Hormuz narrows at its northern-most end to several miles, but the southern end, which opens into the Indian Ocean, is roughly fifty miles wide. A significant U.S. naval presence is positioned on an ongoing basis adjacent to the Mina al Fahal port. The terminal is jointly owned by the Oman government and Shell, and is operated by Shell. Scheduling of deliveries is determined by the Oman Ministry of Oil and Gas.

Further, the Dubai crude oil assessment by Platts comprises a basket of three Middle East crude oil streams (Dubai, Oman, and Upper Zakum) which are deliverable as a part of the Dubai stream. The production of Dubai has declined to less than 100,000 barrels per day, to around 70,000 barrels per day. In addition, oil exports of Oman crude oil run at a rate of approximately 650,000 barrels per day from the Oman port at Mina al Fahal, which is the delivery point for the DME's Oman Crude Oil futures contract. Further, Upper Zakum is produced offshore in Abu Dhabi at a rate of approximately 500,000 barrels per day. The Platts methodology for Dubai crude oil allows for three crude oil streams to be deliverable as part of the Dubai crude oil stream, and this provides for additional spot liquidity in the underlying cash

market. The combined production of Dubai, Oman, and Upper Zakum is approximately 1.2 million barrels per day, or equivalent to 36 million barrels per month.

Cash Market and Participants

There is a large and diverse number of cash market participants in the Dubai crude oil market. The list of companies active in the Dubai cash market includes large oil refiners (such as Chinese, Korean, and Japanese refiners), the super-majors (such as BP, Shell, ExxonMobil, and Total), and oil traders (such as Occidental Petroleum, Vitol, Morgan Stanley, Goldman Sachs, Glencore, Phibro, Arcadia, Trafigura, and Sempra). Specifically, the cash market participants in the Dubai crude oil market include Shell, BP, ExxonMobil, Total, Occidental Petroleum, Vitol, Phibro Trading, Glencore, Koch Petroleum, Sempra Oil Trading, Trafigura, Arcadia, Mercuria Energy Trading, Idemitsu (Japanese), Nippon (Japanese), Itochu (Japanese), Mitsubishi (Japanese), Mitsui (Japanese), Marubeni (Japanese), Sumitomo (Japanese), Cosmo Oil Co. (Japanese), Sinochem (Chinese), UNIPEC (Chinese), SK (Korean), Hyundai (Korean), LG-Caltex (Korean), Reliance (Indian), , Singapore Refining Company, and PTT (Thai).

OTC Financial Market and Participants

There is a liquid derivatives or "paper" swaps and options market that is used for hedging Oman and Middle East crude oil price exposure. The primary OTC hedging vehicles used to manage price risk for Middle East crude oil are various types of Dubai crude oil swaps and options.

There is an active OTC swaps market in the Middle East-Asia Pacific region, which consists mainly of the Dubai calendar swap. In addition, there is a liquid OTC market in Brent-Oman and Brent-Dubai spread swaps, which are priced as a spread differential to the ICE Brent Crude oil. Further, there is a growing market that consists of OTC average price options which are cash-settled based on the Dubai calendar swap. The liquidity in the OTC swaps and options market based on Dubai and Oman crude oil is robust, with an estimated average daily trading volume of 8 to 10 million barrels per day. There are several OTC brokerage firms that are active in the OTC markets, including PVM, Tullet Prebon, TFS, Ginga Petroleum, and GFI Group. In addition to the cash market participants noted above, significant OTC swap market participants in Oman crude oil include Goldman Sachs, Morgan Stanley,

Deutsche Bank, Emirates National Oil Company (ENOC), ConocoPhillips, Barclays Bank, and JP Morgan Chase Bank. As discussed above, the OTC market participation is deep and diverse, and includes both cash market and OTC market players. Many of the same companies that are trading Brent and WTI are also active in the Oman and Dubai markets.

In addition, a number of reporting services, such as Bloomberg, publish a forward curve of prices for the Dubai swaps markets. A number of OTC brokers generate their own forward curves and then make them available to their customers and to other interested parties. At present, the practice is to provide OTC forward curves that extend out for three years. Because Dubai crude oil is generally accepted as a substitute for Oman crude oil, the prices for these two products are tightly linked and thus the prices for Dubai swaps activity is understood to be highly relevant for Oman swaps as well.

ANALYSIS OF DELIVERABLE SUPPLY

Please note that for the four new petroleum futures contracts, 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 initial 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, 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.

In its analysis of deliverable supply, the Exchange focused on EIA data for fuel oil consumption in Singapore from Table 1 above. For the two new Mini Singapore Fuel Oil 380 cst (Platts) Swap Futures and the Mini Singapore Fuel Oil 380 cst (Platts) BALMO Swap Futures, the spot month position limits will aggregate into the existing position limit of the underlying Singapore Fuel Oil 380 cst (Platts) swap futures contract. Based on the consumption data provided by the EIA (Table 1 above), the total fuel oil demand in Singapore was approximately 525,000 barrels per day, which is equivalent to 80,000 metric tons per day, or 2.5 million metric tons per month (contract size for the underlying contract is 10 x 100 metric tons, or 1,000 metric tons). This is equivalent to 2,500 contract equivalents for the underlying contract size of 1,000 metric tons. Thus, the existing spot month position limits of 150 contract units for the underlying Singapore Fuel Oil 380 cst (Platts) Swap Futures Contract represent approximately 6% of the 2,500 contract equivalents of monthly supply.

Further, the Exchange has set the spot month position limits for the two new crack spread contracts at the identical levels corresponding to the legs of the underlying contracts, and will aggregate these limits with their respective underlying contracts. The two underlying contracts are the Singapore Fuel Oil 180 cst (Platts) swap futures contract and the Dubai Crude Oil (Platts) swap futures contract. With regard to the leg of the crack spread that is based on the Singapore Fuel Oil 180 cst (Platts) swap

futures contracts, the Exchange has set the position limits at 500 contracts (with underlying contract size of 1,000 metric tons), which is equivalent to 3.3 million barrels. Based on the consumption data for Singapore provided by the EIA (Table 1 above), the total fuel oil demand in Singapore was approximately 525,000 barrels per day, which is equivalent to 80,000 metric tons per day, or 2.5 million metric tons per month (contract size for the underlying contract is 10 x 100 metric tons, or 1,000 metric tons). This is equivalent to 2,500 contract equivalents for the underlying contract size of 1,000 metric tons. Thus, the existing underlying spot month position limit of 500 contract units for the underlying Singapore Fuel Oil 180 cst (Platts) Swap Futures Contract is approximately 20% of the 2,500 contract equivalents of monthly supply.

With regard to the Dubai crude oil market, in its analysis of deliverable supply, the Exchange concentrated on production data for the Dubai crude oil stream, which consists of the combined production of three Middle East streams: Dubai, Oman, and Upper Zakum. The Platts methodology for the Dubai crude oil stream allows for three crude oil streams to be deliverable, and this provides for additional spot liquidity in the underlying cash market. The combined production of Dubai, Oman, and Upper Zakum is approximately 1.2 million barrels per day, or equivalent to 36 million barrels per month. The monthly deliverable supply is equivalent to 36,000 contracts (each contract is 1,000 barrels size). Thus, the existing underlying spot month position limit of 1,000 contract units for the Dubai Crude Oil (Platts) Swap Futures Contract is approximately 3% of the 36,000 contract equivalents of monthly supply.