



Sean M. Downey
 Director and Assistant General Counsel
 Legal Department

April 26, 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 Aluminum MW US Transaction Premium Platts (25MT) Swap Futures Contract for Trading on the COMEX Trading Floor and for Submission for Clearing through CME ClearPort
 COMEX Submission #12-105**

Dear Mr. Stawick:

The Commodity Exchange, Inc. ("COMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures contract for trading on the COMEX trading floor and for submission for clearing through CME ClearPort on Sunday, April 29, 2012, for trade date Monday, April 30, 2012.

The contract specifications are as follows:

Contract Title	Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures
Commodity Code	AUP
Contract Size	55,116 lbs (25MT)
First Listed Month	May 2012
Listing Period	24 consecutive months
Termination of Trading	Trading terminates on the last business day of the contract month
Minimum Price Intervals	\$ 0.00001 per pound
Value per Tick	\$0.55116 per pound
Settlement Tick	\$0.00001 per pound
Rule Chapter	1189

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 8:10 a.m. – 1:00 p.m. (7:10 a.m. – 12:00 p.m. CT).

Trading and Clearing Fees:

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
Pit	NA	\$.95	\$1.45	\$1.95	
Globex	NA	NA	NA	NA	
ClearPort		\$.95		\$1.95	

Processing Fees		
	Member	Non-Member
Cash Settlement	\$.95	\$1.95
Futures from E/A	NA	NA
	House Acct	Cust Acct
Options E/A Notice	NA	NA
Delivery Notice	NA	NA

**only applies to financially settled contracts*

**applies to futures contracts*

**applies to physical options*

**applies to physical futures*

Additional Fees and Surcharges	
EFS Surcharge	NA
Block Surcharge	\$0.10
Facilitation Desk Fee	\$0.20

**\$2.50 fee typically only charged on our core physical contracts*

**\$0.10 fee charged on block trades*

**fee applies to CPC trades entered by ClearPort Market Ops*

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the 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. The terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level and aggregation allocation for the new contract.

Exchange business staff responsible for the new product and the Exchange legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act (the "Act" or "CEA"). During the review, Exchange 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 and COMEX 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 product is not readily subject to manipulation due to the deep liquidity and robustness in the underlying physical market, which provides diverse participation and sufficient spot transactions to support the final settlement index assessed by Platts (methodology provided in submission).

- 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 limits for the contract is set at less than the threshold of 25% of the deliverable supply in the underlying market.
- 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.
- 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 COMEX 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 COMEX trading floor is available as a 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>.

Mr. David Stawick
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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
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 1189
Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures

1189100. 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.

1189101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the average price calculated for all available price assessments published for Aluminum MW U.S. Transaction Premium for that given calendar month by Platts.

1189102. TRADING SPECIFICATIONS

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

1189102.A. Trading Schedule

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

1189102.B. Trading Unit

The contract quantity shall be 55,116 pounds (equivalent to 25 Metric Tons). Each contract shall be valued as the contract quantity (55,116) multiplied by the settlement price.

1189102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per pound. The minimum price fluctuation shall be \$0.00001 per pound.

1189102.D. Position Limits and Position Accountability

In accordance with Rule 559, no person shall own or control positions in excess of 5,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 20,000 contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 20,000 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.

1189102.E. Termination of Trading

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

1189103. 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.

1189104. DISCLAIMER

NEITHER COMMODITY EXCHANGE, INC. ("COMEX") ITS AFFILIATES NOR PLATTS, A DIVISION OF THE MCGRAW-HILL COMPANIES, INC. ("PLATTS") GUARANTEES THE ACCURACY NOR COMPLETENESS OF THE PLATTS PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

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Appendix A

COMEX, 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. (parent company of COMEX). Platts does not sponsor, endorse, sell or promote the contract and Platts makes no recommendations concerning the advisability of investing in the contract.

Appendix B

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

<u>Contract Name</u>	<u>Rule Chapter</u>	<u>Commodity Code</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>Metals</i>							
<i>USA</i>							
<u>Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures</u>	<u>1189</u>	<u>AUP</u>	<u>20.000</u>	<u>20.000</u>	<u>5.000</u>	<u>25</u>	<u>AUP</u>

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CASH MARKET OVERVIEW

The Commodity Exchange, Inc. (“COMEX” or “Exchange”) is self-certifying the listing of an Aluminum MW U.S. Transaction Premium (Platts) Swap Futures for trading on the COMEX trading floor and for clearing through CME ClearPort.

Contract	Code	Rule Chapter
Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures	AUP	1189

Aluminum is the second most abundant metallic element in the earth's crust after silicon, yet it is a comparatively new industrial metal that has been produced in commercial quantities for just over 100 years.¹ Aluminum is mainly used in the industrial sector and is sensitive to variances in economic cycles, changes in technology, and competition between industrial consumers. Aluminum is produced largely in two different ways; by mining activity known as ‘primary’ and also by scrap recycling activity known as ‘secondary’. Since the emerging economies, notably China, started entering the steel market to build their infrastructure along with expedited globalization in the past 5 years, raw materials, including aluminum have become one of the more volatile global commodities.

Consumption and Production

North American aluminum industry annually produces about \$40 billion in aluminum-based products². Aluminum activity spans physical plants and facilities, recycling, heavy industry, and consumption of consumer goods. The top consuming markets for the aluminum industry are transportation, beverage cans, packaging, and building/construction. Due to its direct correlation to the industrial sector, aluminum experienced a huge price drop in 2009 following the financial crisis in late 2008. This resulted in shut downs among many primary aluminum smelters in North America during 2009 and 2010. As the economy improved, aluminum prices recovered. Packaging accounted for an estimated

¹ <http://minerals.usgs.gov/minerals/pubs/commodity/aluminum/>

² <http://www.aluminum.org/>

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31% of domestic consumption; the remainder was used in transportation (28%); building (14%); electrical (9%); machinery (7%); consumer durables (7%); and others (4%).³

While transportation has typically represented the largest market for aluminum in North America over the past two decades, 2009 marked the worst year for auto sales since 1982 and, as such, transportation applications accounted for only 23.7% of all aluminum shipments - 4.22 billion pounds.⁴ The majority was used in automotive and light truck applications, as vehicle manufacturers continue to opt for lightweight aluminum solutions to improve fuel economy, reduce emissions and enhance vehicle performance.

In 2009, containers and packaging regained their position as the top market for aluminum. The aluminum industry shipped 4.73 billion pounds of aluminum for packaging applications, or 26.5% of all shipments.⁵ Aluminum is used in products such as beverage cans and bottles, food containers, and household and institutional foil. Product manufacturers and consumers appreciate foil for its impermeability to light, water, and oxygen - making it a preferred barrier material for beverage, food, and pharmaceutical products. Additionally, aluminum's low weight gives it a competitive advantage over other materials with regard to shipping costs.

Largely due to products in the residential, industrial, commercial, farm, and highway sectors, the 2009 building and construction market accounted for 2.13 billion pounds of net aluminum consumption, or 11.9% of total production representing the third largest North American market for aluminum. Aluminum is widely used in both commercial and residential construction - in such applications as window and door frames.

North American aluminum production experienced a significant decline of 17.22% in 2009 compared to 2008 during the financial crisis. Since then, annual production levels were stable at approximately 6 million tons as the global manufacturing industry slowed down. There is a sign of recovery based on the 2011 production figures of 6,360,000 metric tons. In 2011, annual production level has increased by approximately 10% compared to the year prior as industrial manufacturers recovered.

³ <http://minerals.usgs.gov/minerals/pubs/commodity/aluminum/mcs-2011-alumi.pdf>

⁴ <http://www.aluminum.org/>

⁵ <http://www.aluminum.org/>

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The main demand came from the North American auto industry. Aluminum's use in vehicles is rapidly increasing due to the pent up demand of automobiles from the recession and a heightened need for fuel-efficient, environmentally friendly vehicles. Automakers appreciate that the use of lightweight aluminum body structures permits them to downsize other parts of the car. Aluminum can provide a weight savings of up to 55% compared to an equivalent steel structure while matching or exceeding crashworthiness standards of similarly sized steel structures. It is projected that the auto industry will continue to increase the aluminum consumption per car in order to improve energy efficiency in cars, exterior cladding/siding, gutters and downspouts, and roofing.

After the 2008-2009 periods, the North American aluminum market returned back to its normal growth trend. The U.S. is one of the major aluminum producers in the world along with China and the European Union. Their combined productions account for half of the world's primary and secondary aluminum production. During the past five years, the average yearly production in North America was 6,481,800 metric tons. This equates to a monthly average of 21,606 aluminum contract equivalents. In comparison, during the past three years, the aluminum production level has decreased to an average of 6,025,667 metric tons or a monthly average of 20,085 contract equivalents mainly due to the financial crisis of 2009. The Exchange believes that the North American production of primary and secondary aluminum represents a reliable measure of aluminum deliverable supply. The majority of aluminum produced in North America is consumed in North America within the calendar year and is considered the basis for deliverable supply for the Aluminum MW U.S. Transactions Premium Platts (25MT) Swap futures contract.

Year	Total U.S. Primary Production (MT)	Total U.S. Secondary Production (MT)	Total Canada Production (MT)	Total Yearly Production (MT)	Total Yearly Production in Contract equivalent (25 MT = 55,116 lbs)	Average Monthly Production in Contract equivalent (25 MT = 55,116 lbs)
2006	2,284,000	1,260,000	3,050,000	6,594,000	263,760	21,980
2007	2,554,000	1,540,000	3,090,000	7,184,000	287,360	23,947
2008	2,658,000	1,370,000	3,120,000	7,148,000	285,920	23,827
2009	1,727,000	1,190,000	3,000,000	5,917,000	236,680	19,723
2010	1,720,000	1,120,000	2,960,000	5,800,000	232,000	19,333
2011	1,990,000	1,400,000	2,970,000	6,360,000	254,400	21,200

Source: The Aluminum Association and USGS

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Pricing in North America

Benchmark pricing takes place on the London Metal Exchange (“LME”). However, the North American aluminum consumption and production is priced as a differential (premium) to LME. Using the liquidity of LME trading, North American producers tend to price as a differential off the LME benchmark price. This premium was originally created to cover the freight from Baltimore to the Midwest and now it also incorporates demand and supply of the North American specific market to compliment the LME aluminum contract. This differential tends to fluctuate on a cyclical basis. This is generally based on the availability of recycling of scrap and the potential for scheduling bottlenecks at the LME warehouses.

As discussed below in greater detail, the Platts Aluminum MW U.S. Transaction Premium index addresses the need for an aluminum premium assessment specifically targeting the North American market as volatility of the price component has increased.

Physical trade in aluminum takes place throughout the supply chain, and includes miners, refineries, distributors, merchants, traders and end-users. Average price contracts are a preferred hedging tool by commercials in the aluminum industry. By definition, the contracts incorporate price movements each day of the month. Aluminum MW U.S. Transaction Premium Platts (25MT) Swap Futures will offer this price protection on an average basis throughout the month and give more relevance for the physical underlying market participants. The contract will assist the North American industry commercials to better manage volatility and long term budget planning. The North American aluminum market is robust and has deep liquidity due to the diverse market participation.

Index Provider

The Platts Aluminum Midwest US Transaction was developed as an independent index reporting aluminum transactions in North America. While aluminum is a global commodity, purchases and sales in the U.S. often reflect differences in cost. Consequently, these transactions are typically based on cash market prices determined on the LME. The Platts MW US transaction is a daily premium or discount over LME's benchmark aluminum contract (LME HG Cash), cash settlement for prompt delivery Midwest (arrival within 30days). Premium determined based on physical business reported by a daily survey of major buyers and sellers, using a representative survey sample of producers, traders and different types

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of end users (sheet mills, extruders, automotive companies, etc.). It also includes business for North American P1020 T-bars and sows, as well as Russian A7E equivalent, meeting LME specifications.⁶

The daily premium reflects the Platts editors' assessment of the most-widely available premium for delivery to a typical-freight consumer in broad Midwest regions. Premiums that are reported for non-Midwest locations or for particularly close or long' freights (i.e., outside the range of 1-1.25ct/lb) are adjusted before inclusion in the calculations.⁷ The Index is for spot price transactions of aluminum in the Midwest United States, where most North American aluminum transactions are based⁸. Each aluminum reference price is calculated as the volume weighted average of the relevant normalized price information submitted. Prior to calculating the average index price, averaging techniques are used to establish outliers and remove pricing points that can cause undue influence. Furthermore, when calculating the volume-weighted price, the percentage weighting assigned to the tonal submissions by any single data provide is capped in order to ensure that the average figure remains representative. The Platts index collects transaction data 7 days per week and 24 hours a day. There is deep liquidity and robustness in the underlying physical market, which provides diverse participation and sufficient spot transactions to support the Platts final settlement index.

⁶ <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/metals.pdf>

⁷ <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/metals.pdf>

⁸ <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/metals.pdf>

ANALYSIS OF DELIVERABLE SUPPLY

As stated earlier, the Exchange believes that the North American primary and secondary aluminum productions represent a reliable measure of aluminum deliverable supply. The majority of aluminum produced in North America is consumed in North America within the calendar year and is considered the basis for deliverable supply for the Aluminum MW U.S. Transaction Premium Platts (25MT) Swap futures contract.

During the past five years, the average monthly production in North America was 540,150 metric tons which is equivalent to 21,606 aluminum contract units. In comparison, during the past three years, the monthly aluminum production level has decreased to an average of 502,139 metric tons or 20,085 contract equivalents mainly due to the financial crisis in 2009. The Exchange determined to set expiration month limit for Aluminum MW U.S. Transaction Premium Platts (25MT) Swap futures at 5,000 contract units which falls below the 25% threshold of monthly deliverable supply based on average 2009-2011 North American aluminum production levels.