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SECRETARIAT

July 6, 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 #11-252: Notification Regarding the Listing of Dated Brent (Platts) Average Price Option Contract on the NYMEX Trading Floor and CME ClearPort®**

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 a new crude oil option contract, Dated Brent (Platts) Average Price Option (Chapter 1078; Code DBP) for trading on the NYMEX floor and clearing through CME ClearPort, beginning at 6:00 p.m. on Sunday, July 10, 2011 for trade date Monday, July 11, 2011. The proposed option contract will be cash settled and can only be exercised upon expiration.

The Exchange will allow the exchange for related position (EFRP) transactions to be submitted through CME ClearPort. EFRP transactions in this option contract will be governed by the provisions of Exchange Rule 538. The following are the option contract terms:

**Contract Term Summary**

<b>Product Name</b>	Dated Brent (Platts) Average Price Option
<b>Symbol</b>	DBP
<b>Option Type</b>	Cash settled; exercise only upon expiration
<b>Underlying Futures</b>	Dated Brent (Platts) Calendar Swap Futures (UB)
<b>Contract Unit</b>	1,000 barrels
<b>Expiration</b>	The last business day of the contract month
<b>Min. Price Fluctuations</b>	\$0.01 per barrel
<b>Strike Intervals</b>	5 strikes in \$0.05 per barrel intervals above/below the at-the-money strike
<b>First List Month</b>	July 2011
<b>Listing Series</b>	36 consecutive months

Fee Schedule:

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
Pit	NA	\$0.85	\$1.10	\$1.35	
Globex	NA	NA	NA	NA	NA
ClearPort		\$0.85		\$1.35	

Processing Fees			Additional Fees and Surcharges	
	Member	Non-Member	EFS Surcharge	NA
Cash Settlement	NA	NA	Block Surcharge	NA
Futures from E/A	NA	NA	Facilitation Desk Fee	\$0.20
	House Acct	Cust Acct		
Options E/A Notice	\$0.85	\$1.35		
Delivery Notice	NA	NA		

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 contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal. The listing of this contract shall be effective on trade date July 11, 2011.

Should you have any questions concerning the above, please contact Robert Biolsi at (212) 299-2610 or [bob.biolsi@cmegroup.com](mailto:bob.biolsi@cmegroup.com). Alternatively, you may contact the undersigned at (312) 930-8167.

Sincerely,

/s/ Sean Downey  
 Assoc Dir & Asst General Counsel

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

## Chapter 1078

### Dated Brent (Platts) Average Price Option

#### 1078.01 EXPIRATION

A Dated Brent (Platts) Average Price Option (the "Option") on the Exchange shall expire at the close of trading on the last business day of the contract month based on the UK calendar. The expiration date shall be announced prior to the listing of the Option contract.

#### 1078.02 TRADING UNIT

A call Option traded on the Exchange represents the differential between the final settlement price of the underlying Dated Brent (Platts) Calendar Swap Futures contract less the strike price, or zero whichever is greater, multiplied by 1,000. A put Option represents the differential between the strike price and the final settlement price of the underlying Dated Brent (Platts) Calendar Swap Futures contract, or zero, whichever is greater, multiplied by 1,000.

#### 1078.03 TRADING MONTHS

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

#### 1078.04 STRIKE PRICES

Trading shall be conducted for Options with strike prices in increments as set forth below.

(A) On the first business day of trading in an Option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for Dated Brent (Platts) Calendar Swap Futures contract in the corresponding delivery month rounded off to the nearest five-cent increment strike price unless such settlement price is precisely midway between two five-cent increment strike prices in which case it shall be rounded off to the lower five-cent increment strike price and (ii) the five five-cent increment strike prices which are five increments higher than the strike price described in (i) of this Rule 1078.04(A) and (iii) the five five-cent increment strike prices which are five increments lower than the strike price described in (i) of this Rule 1078.04(A).

(B) Thereafter, on any business day prior to the expiration of the Option (i) new consecutive five cent increment strike prices for both puts and calls will be added such that at all times there will be at least five five-cent increment strike prices above and below the at-the-money strike price available for trading in all Option contract months.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in the Option contract will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new Option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of an Option contract in which no new strike prices may be introduced.

#### 1078.05 PRICES

Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of one (1) cent per barrel. A cabinet trade may occur at a price of \$.001 per barrel, or \$1.00.

#### 1078.06 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Option contracts shall not be subject to price fluctuation limitations.

## CASH MARKET OVERVIEW

### Description

Crude oil is a flammable liquid composed mostly of complex hydrocarbons formed from the remains of animals and plants over million years. After oil is removed from the ground, it is sent to the refineries and is further separated into usable petroleum products. According to the Department of Energy's *Energy Information Administration* ("EIA") data as of 2009, a barrel of crude oil can produce roughly 44 gallons of petroleum products, including diesel, distillates, fuel oil, liquefied petroleum gases, heating oil, gasoline and other refined products.

There are different kinds of crude oil being produced in the world. A light sweet crude oil is considered to be more productive due to its low density and low sulfur content, and hence is usually trading at premiums to heavy sour crudes. Brent crude oil is characterized as light sweet crude sourced from the North Sea. Dated Brent represents the Brent grade crude oil with loading dates assigned for 10-21 days forward.

### Production

Based on EIA's data, the average production of crude oil in the United Kingdom for both inland and offshore was approximately 1,392 thousand barrels per day in 2008, 1,328 thousand barrels per day in 2009 and 1,233 thousand barrels per day in 2010. Table I below presents data collected by EIA for the United Kingdom production of crude oil including lease condensate.

**Table I. Selected Statistics for United Kingdom Production of Crude Oil including Lease Condensate (Thousand Barrels per Day)<sup>1</sup>**

Date	Production of United Kingdom	Production of United Kingdom (Offshore)
Jan-2008	28	1,429
Feb-2008	28	1,463
Mar-2008	27	1,422
Apr-2008	27	1,464
May-2008	26	1,459
Jun-2008	26	1,337
Jul-2008	26	1,281
Aug-2008	26	1,073
Sep-2008	26	1,366
Oct-2008	25	1,326

<sup>1</sup>EIA Production of Crude Oil including Lease Condensate (Thousand Barrels Per Day)  
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=50&pid=57&aid=1&cid=r3.&syid=2008&eyid=2010&freq=M&unit=TBPD>

Date	Production of United Kingdom	Production of United Kingdom (Offshore)
Nov-2008	20	1,376
Dec-2008	24	1,400
<b>2008 Average</b>	<b>26</b>	<b>1,366</b>
Jan-2009	24	1,401
Feb-2009	25	1,425
Mar-2009	24	1,427
Apr-2009	25	1,443
May-2009	24	1,366
Jun-2009	26	1,333
Jul-2009	25	1,316
Aug-2009	25	968
Sep-2009	24	1,095
Oct-2009	25	1,241
Nov-2009	22	1,350
Dec-2009	25	1,285
<b>2009 Average</b>	<b>24</b>	<b>1,304</b>
Jan-2010	24	1,347
Feb-2010	24	1,260
Mar-2010	24	1,393
Apr-2010	22	1,364
May-2010	23	1,275
Jun-2010	23	1,053
Jul-2010	22	1,018
Aug-2010	21	1,032
Sep-2010	17	1,166
Oct-2010	22	1,200
Nov-2010	NA	NA
Dec-2010	NA	NA
<b>2010 Average</b>	<b>22</b>	<b>1,211</b>

### Storage

Storage is an important market short term supply/demand indicator. Changes in inventory level are used to offset imbalances between production and consumption. Due to the lack of stocks level for crude oil, the inventory data for total petroleum product is presented as a proxy. Table II below shows the end of period total petroleum stocks for United Kingdom (in million barrels) for the last three years according to data provided by the EIA. Storage levels fluctuated between 92 million barrels to 100 million barrels.

**Table II. Selected Statistics for United Kingdom Total Petroleum Stocks, End of Period (Million Barrels)<sup>2</sup>**

Date	Petroleum Stocks of United Kingdom
Jan-2008	95
Feb-2008	95
Mar-2008	100
Apr-2008	98
May-2008	99
Jun-2008	99
Jul-2008	95
Aug-2008	96
Sep-2008	95
Oct-2008	93
Nov-2008	96
Dec-2008	99
<b>2008 Average</b>	<b>97</b>
Jan-2009	100
Feb-2009	98
Mar-2009	100
Apr-2009	98
May-2009	92
Jun-2009	92
Jul-2009	97
Aug-2009	96
Sep-2009	94
Oct-2009	96
Nov-2009	96
Dec-2009	94
<b>2009 Average</b>	<b>96</b>
Jan-2010	95
Feb-2010	99
Mar-2010	93
Apr-2010	95
May-2010	99
Jun-2010	96
Jul-2010	95
Aug-2010	93
Sep-2010	95
Oct-2010	NA
Nov-2010	NA
Dec-2010	NA
<b>2010 Average</b>	<b>96</b>

<sup>2</sup>EIA Total Petroleum Stock, End of Period (Millions Barrels)  
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=50&pid=5&aid=5&cid=CG7.&syid=2008&eyid=2010&freq=M&unit=MBBL>

## Consumption

EIA does not provide crude oil consumption data; however, the data for monthly petroleum products consumption is available. In 2009, the average monthly consumption of petroleum for the United Kingdom was 1,667 thousand barrels per day. During the last three years, monthly consumption ranged from a high of 1,853 thousand barrels per day in April 2008 to a low of 1,532 thousand barrels per day in December 2009. Table III, below, contains the monthly United Kingdom Total Consumption of Petroleum Products from 2008 through 2010, as per EIA.

**Table III. Selected Statistics for United Kingdom Total Consumption of Petroleum Products (Thousand Barrels Per Day)<sup>3</sup>**

Date	Consumption of Petroleum of United Kingdom
Jan-2008	1,726
Feb-2008	1,837
Mar-2008	1,705
Apr-2008	1,853
May-2008	1,651
Jun-2008	1,740
Jul-2008	1,654
Aug-2008	1,607
Sep-2008	1,753
Oct-2008	1,758
Nov-2008	1,741
Dec-2008	1,740
<b>2008 Average</b>	<b>1,730</b>
Jan-2009	1,744
Feb-2009	1,698
Mar-2009	1,739
Apr-2009	1,708
May-2009	1,614
Jun-2009	1,692
Jul-2009	1,660
Aug-2009	1,656
Sep-2009	1,674
Oct-2009	1,654
Nov-2009	1,637
Dec-2009	1,532
<b>2009 Average</b>	<b>1,667</b>
Jan-2010	1,582

<sup>3</sup>EIA Total Consumption of Petroleum Products (Thousand Barrels Per Day)  
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=50&pid=54&aid=2&cid=UK,&syid=2006&eyid=2010&freq=M&unit=TBPD>

Date	Consumption of Petroleum of United Kingdom
Feb-2010	1,683
Mar-2010	1,678
Apr-2010	1,642
May-2010	1,611
Jun-2010	1,594
Jul-2010	1,627
Aug-2010	1,639
Sep-2010	1,636
Oct-2010	NA
Nov-2010	NA
Dec-2010	NA
<b>2010 Average</b>	<b>1,632</b>

### Imports and Exports

Table IV below provides average daily import and export for the United Kingdom Crude Oil (including lease condensate) for the last three years as provided by EIA. During 2009, average daily imports were approximately 957 thousand barrels and the average daily exports were approximately 775 thousand barrels. Net import in 2009 was 182 thousand barrels per day.

**Table IV. Selected Statistics for United Kingdom Imports and Exports of Crude Oil including Lease Condensate (Thousand Barrels Per Day)**

Date	Imports of Crude Oil including Lease Condensate <sup>4</sup>	Exports of Crude Oil including Lease Condensate <sup>5</sup>	Net Imports
2007	1,009	911	98
2008	1,041	921	120
2009	957	775	182

### Prices

Table V below provides end of month prices for the underlying futures, NYMEX Dated Brent (Platts) Calendar Swap Futures, front month contract for the last three years. Since October 2009, prices ranged from a low of \$72.75 per barrel in October 2009 to a high of \$123.49 per barrel in April 2011.

<sup>4</sup> EIA United Kingdom Imports of Crude Oil including Lease Condensate (Thousand Barrels Per Day)  
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=57&aid=3&cid=UK,&syid=2007&eyid=2009&unit=TBDP>

<sup>5</sup> EIA United Kingdom Exports of Crude Oil including Lease Condensate (Thousand Barrels Per Day)  
<http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=57&aid=4&cid=UK,&syid=2007&eyid=2009&unit=TBDP>



**Table V. Selected Statistics for NYMEX Brent (ICE) Calendar Swap Futures Front Month Contract End of Month Settlement Prices (Dollars per Barrel)**

<b>Date</b>	<b>NYMEX Dated Brent (Platts) Calendar Swap Futures Front Month Contract End of Month Settlement Prices</b>
Jan-2009	NA
Feb-2009	NA
Mar-2009	NA
Apr-2009	NA
May-2009	NA
Jun-2009	NA
Jul-2009	NA
Aug-2009	NA
Sep-2009	NA
Oct-2009	\$ 72.75
Nov-2009	\$ 76.66
Dec-2009	\$ 74.37
<b>2009 Average</b>	<b>\$ 74.59</b>
Jan-2010	\$ 76.19
Feb-2010	\$ 73.63
Mar-2010	\$ 78.89
Apr-2010	\$ 84.89
May-2010	\$ 75.64
Jun-2010	\$ 74.85
Jul-2010	\$ 75.64
Aug-2010	\$ 77.15
Sep-2010	\$ 77.79
Oct-2010	\$ 82.74
Nov-2010	\$ 85.33
Dec-2010	\$ 94.31
<b>2010 Average</b>	<b>\$ 79.75</b>
Jan-2011	\$ 96.54
Feb-2011	\$ 103.76
Mar-2011	\$ 114.60
Apr-2011	\$ 123.49
May-2011	\$ 114.55

### **Futures Market**

The NYMEX Dated Brent (Platts) Calendar Swap Futures market is an active and liquid market. Table VI below provides end of month open interest and monthly volume for the underlying NYMEX Dated Brent (Platts) Calendar Swap Futures contract. As illustrated in Table VI, futures open interest has averaged 79,632 contracts per month and futures volume has average 13,103 contracts during 2010. As the contract size is equivalent to 1,000 barrels, the monthly volume represented below is equivalent to

approximately 13 million barrels of crude oil and open interest represented below is equivalent to approximately 80 million barrels of crude oil.

**Table VI. NYMEX Brent (ICE) Calendar Swap Futures End-of-Month Open Interest and Monthly Volume**

<b>Calendar Year Month</b>	<b>Monthly Volume</b>	<b>End of Month Open Interest</b>
Jan-2009	8,888	20,939
Feb-2009	4,686	20,328
Mar-2009	7,515	18,594
Apr-2009	11,016	21,579
May-2009	6,683	18,788
Jun-2009	1,930	16,340
Jul-2009	4,836	14,621
Aug-2009	8,405	14,936
Sep-2009	3,382	13,404
Oct-2009	2,961	11,577
Nov-2009	11,986	14,145
Dec-2009	19,193	24,009
<b>2009 Average</b>	<b>7,623</b>	<b>17,438</b>
Jan-2010	12,190	26,543
Feb-2010	11,624	29,289
Mar-2010	21,352	26,720
Apr-2010	5,516	23,274
May-2010	12,534	17,461
Jun-2010	5,311	15,060
Jul-2010	7,010	12,293
Aug-2010	6,637	10,038
Sep-2010	2,740	8,358
Oct-2010	3,801	7,652
Nov-2010	2,305	5,756
Dec-2010	3,167	5,645
<b>2010 Average</b>	<b>7,849</b>	<b>15,674</b>
Jan-2011	7,022	7,277
Feb-2011	6,936	5,436
Mar-2011	3,774	5,780
Apr-2011	1,734	3,676
May-2011	860	2,260

### **Market Participants**

Brent crude oil has active over-the-counter ("OTC") physical and paper markets. The liquidity in the OTC swaps market is robust. There are several OTC brokerage firms that are active in Brent swaps markets, including PVM, Amerex, Tullet Prebon and ICAP. 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, including, but not limited to, the following participants:

**Refiners**

ConocoPhillips  
Valero  
Shell  
ExxonMobil  
BP  
Total  
Koch Petroleum  
Repsol  
CEPSA  
Netherlands Refining  
OMV  
Lukoil (Russia)  
Statoil (Norway)  
MOL Hungary

**Traders/End Users**

Hess Energy Trading  
Vitol  
Glencore  
Total  
Northville  
Cargill  
Morgan Stanley  
Goldman Sachs  
RWE Trading  
Mabanaft  
Phibro  
Arcadia  
Mercuria  
Sempra

**Brokers**

GFI Starsupply  
PVM  
Man Financial  
ICAP  
Aspen Oil  
GFI Spectron  
TFS  
Amerex  
Tullet Prebon

**Financial (Swaps)**

Citibank  
Deutsche Bank  
Barclays  
BankAmerica  
JP Morgan

## ANALYSIS OF DELIVERABLE SUPPLY

The estimation of deliverable supply is a function of the production and net receipts. Using data supplied by EIA, Table I is used to estimate the supply of Brent crude oil. According to Table I above, during 2009, production of United Kingdom Crude Oil, including lease condensate, averaged 1,328 thousand barrels per day. According to Table IV above, during 2009, net imports of United Kingdom Crude Oil (including lease condensate) were 182 thousand barrels per day. Therefore, during 2009, the average deliverable supply amounted to approximately 1,510 thousand barrels per day, or 45,300 thousand barrels per month for a 30-calendar day month.

The underlying futures contract of the proposed option and its current spot month position limit is as follows:

Dated Brent (Platts) Calendar Swap Futures	1,000 contracts
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The Exchange proposes to set the spot month position limit for the option to be the same as, and aggregate into, the underlying futures contract. The proposed spot month position limit for the Dated Brent (Platts) Average Price Option represents approximately 2.2% of the average monthly deliverable supply.