

August 8, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Listing of One (1) Fuel Oil Spread Futures Contract for Trading on CME Globex and the NYMEX Trading Floor and Clearing through CME ClearPort
NYMEX Submission No. 13-328**

Dear Ms. Jurgens:

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 one (1) new fuel oil futures contract for trading on CME Globex and the NYMEX trading floor and for submission for clearing through CME ClearPort beginning at 6:00 p.m. EST on Sunday, August 11, 2013, for trade date Monday, August 12, 2013.

NYMEX is separately self-certifying block trading minimum threshold of five (5) contracts for European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures in CME/CBOT/NYMEX/COMEX Submission No. 13-300. Block transactions are governed by Rule 526.

SPECIFICATION SUMMARY

Contract Name	European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures
Commodity Code	EMW
Chapter	863
Settlement Type	Financial
Contract Unit	100 metric tons
Expiration Date	The last business day of the contract's reference month
Minimum Price Fluctuation	\$0.001 per metric ton
Minimum Price Fluctuation for Final Settlement	\$0.001 per metric ton
First Listed Contract	Week of 2 September 2013

Listing Convention	CME Globex: Weekly contracts for the nearest three calendar months Open Outcry and CME ClearPort: Weekly contracts for the nearest twelve calendar months
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- **Trading Hours:**

CME Globex and 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 p.m. – 1:30 p.m. Chicago Time/CT).

- **Trading and Clearing Fees**

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
Pit	n/a	\$0.85	\$1.05	\$1.25	
Globex	n/a	\$0.85	\$1.05	\$1.25	\$1.05
ClearPort		\$0.85		\$1.25	

Other Processing Fees		
	Member	Non-Member
Cash Settlement	\$0.85	\$1.25
Futures from E/A	n/a	n/a
	House Acct	Customer Acct
Options E/A Notice	n/a	n/a
Delivery Notice	n/a	n/a

Additional Fees and Surcharges	
EFS Surcharge	\$0.00
Block Surcharge	\$0.00
Facilitation Desk Fee	\$0.20

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the new 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 diminishing balances, all-month/any-one-month accountability levels, expiration-month position limit, 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 (“CEA”). During the review, NYMEX staff identified that the new product may have some bearing on the following Core Principles:

- 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 range 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.

- Contracts not Readily Susceptible to Manipulation: The new contract is not readily susceptible to manipulation due to the liquidity and robustness in the underlying cash market, which provides diverse participation and sufficient spot transactions to support the final settlement index as assessed by Platts (see Appendix D: Cash Market Overview and Analysis of Deliverable Supply).
- Prevention of Market Disruption: Trading in this contract will be subject to 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.
- Position Limitations or Accountability: The spot month position limit for the new contract is set at a conservative level that is less than 25% of the monthly deliverable supply in the underlying market in accordance with the guidelines included in CFTC Part 151 (see Appendix C: Chapter 5 Table (attached under separate cover)).
- Availability of General Information: The Exchange will publish information on the contract's specification 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.
- Execution of Transactions: The new contract is dually listed for clearing through the CME ClearPort platform and for trading on the CME Globex trading platform and on the NYMEX trading floor for open outcry trading. The CME ClearPort platform provides a competitive, open and efficient mechanism for novating transactions that are competitively executed by brokers. The CME Globex electronic trading platform provides for a competitive and open execution of transactions due to its advanced functionality, high reliability and global connectivity. It runs continuously, so it is not restricted by borders or time zones. CME Globex remains among the fastest global electronic trading systems. 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.
- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by the CME Clearing House which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Protection of Markets and 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 rules. 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. The rules in Chapter 6 allow all non-members 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 non-member is required to participate in the arbitration pursuant to the rules in 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 Commodity Exchange Act (“Act”) and CFTC Regulation 40.2, the Exchange hereby certifies that the attached contract comply 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 (212) 299-2200 or Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Rule Chapter
Appendix B: Rule 588.H – Non-reviewable Range Table
Appendix C: Chapter 5 Table (attached under separate cover)
Appendix D: Cash Market Overview and Analysis of Deliverable Supply

Chapter 863

European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures

863100. 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.

863101. CONTRACT SPECIFICATIONS

The Floating Price for each contract week is equal to the arithmetic average of the mid-point of the high and low quotations from the Platts European Marketscan for Fuel Oil 3.5% under the heading "FOB Rotterdam" for each business day during the contract's reference week minus the arithmetic average of the mid-point of the high and low quotations from the Platts European Marketscan for Fuel Oil 3.5% under the heading "FOB Rotterdam" for each business day during the contract's reference month.

The contract's reference month shall be the calendar month following the calendar month containing the Monday of the contract's reference week.

863102. TRADING SPECIFICATIONS

Contracts shall be listed for a range of specified reference weeks. The number of weeks open for trading at a given time shall be determined by the Exchange.

863102.A. Trading Schedule

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

863102.B. Trading Unit

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

863102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

863102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

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

863102.E. Termination of Trading

The contract shall terminate at the close of trading on the last business day of the contract's reference month.

863103. 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.

863104. 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 PLATTS 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 PLATTS PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PLATTS 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 PLATTS 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.

Appendix B

Rule 588.H - Non-reviewable Range Table

Instrument	Non-Reviewable Range (NRR) in Globex format	NRR including Unit of Measure	NRR Ticks
European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures	2,000	\$2.00 per metric ton	2,000

Appendix C

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

(attached under separate cover)

CASH MARKET OVERVIEW

Description

The proposed new product is related to the European fuel oil market. Fuel oil¹, also called residual fuel oil, is a liquid petroleum product less volatile than gasoline and used as an energy source. Fuel oil is generally used in the production of electric power, space heating, vessel bunkering, and various industrial purposes.

European Fuel Oil Market

Consumption, Production, Imports and Exports

The European fuel oil market in Amsterdam-Rotterdam-Antwerp (ARA) represents the largest hub in Europe for petroleum products, with extensive storage and refining capacity. The ARA market is the main supply centre for European fuel oil market, which mainly includes Belgium, France, Germany, and The Netherlands.

The most recent data published by the U.S. Energy Information Administration (“EIA”) is for calendar year 2010. Table 1 below presents EIA production, consumption, import and export data for the four countries. A value for North West Europe has been derived by combining the figures for Belgium, Germany, and the Netherlands with half of the EIA figure for France. This reflects the split of activity in France between North West Europe and the Mediterranean.

Based on EIA data, for the period from 2008 to 2010, the average annual residual fuel oil production in North West Europe was 525 thousand barrels per day (which is equivalent to 15.8 million barrels per month for a 30-calendar day month). In the same period, the average annual consumption was 597 thousand barrels per day (which is equivalent to 17.9 million barrels per month).

¹ <http://www.eia.doe.gov/tools/glossary/index.cfm?id=F>.

Table 1. Selected Statistics for Fuel Oil: EuropeSource: EIA ² (Thousand Barrels per Day)

Item and Region	2008	2009	2010	Average 2008-2010
Consumption, Fuel Oil				
Belgium	187.7	139.4	125.5	150.9
France	104.4	99.0	90.8	98.1
Germany	159.1	159.0	154.9	157.7
Netherlands	257.5	237.2	224.2	239.6
North West Europe Consumption	656.5	585.1	550.0	597.2
Production, Fuel Oil				
Belgium	119.7	94.3	96.3	103.4
France	200.9	167.5	162.5	177.0
Germany	211.9	172.4	140.4	174.9
Netherlands	152.4	150.1	173.2	158.6
North West Europe Production	584.5	500.6	491.2	525.4
Imports, Fuel Oil				
Belgium	134.7	100.6	84.6	106.6
France	107.8	120.8	123.3	117.3
Germany	54.0	53.8	47.2	51.6
Netherlands	426.3	474.9	532.3	477.8
North West Europe Imports	668.8	689.6	725.7	694.7
Exports, Fuel Oil				
Belgium	76.2	53.2	53.2	60.9
France	129.7	101.1	111.6	114.2
Germany	78.5	58.2	30.9	55.9
Netherlands	296.1	379.1	477.3	384.2
North West Europe Exports	515.6	541.1	617.3	558.0

As noted above, the EIA currently provides data through calendar year 2010. JODI, the Joint Organisations Data Initiative, publishes data for residual fuel oil through calendar year 2011. Selected

² EIA Data:

Consumption:

<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=2&cid=regions&syid=2007&eyid=2011&unit=TBDP>

Production:

<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=1&cid=regions&syid=2007&eyid=2011&unit=TBDP>

Imports:

<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=3&cid=regions&syid=2006&eyid=2010&unit=TBDP>

Exports:

<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=66&aid=4&cid=regions&syid=2006&eyid=2010&unit=TBDP>

JODI data for annual residual fuel oil consumption, production, imports and exports in Belgium, France, Germany, and The Netherlands is shown in Table 2.

Table 2. Selected Statistics for Fuel Oil: Europe

Source: JODI ³ (Thousand Barrels per Day)

Item and Region	2009	2010	2011	Average 2009-2011
Demand, Fuel Oil				
Belgium	140.9	127.1	137.6	135.2
France	99.4	92.1	84.2	91.9
Germany	164.0	157.5	152.6	158.0
Netherlands	235.5	224.3	242.8	234.2
North West Europe Demand	590.2	554.9	575.2	573.4
Refinery Production, Fuel Oil				
Belgium	94.3	96.3	104.9	98.5
France	167.5	162.5	159.4	163.2
Germany	172.4	140.4	137.0	149.9
Netherlands	150.1	173.2	149.8	157.7
North West Europe Refinery Production	500.6	491.1	471.4	487.7
Imports, Fuel Oil				
Belgium	100.6	84.6	98.7	94.6
France	120.6	123.1	132.8	125.5
Germany	53.8	47.2	49.3	50.1
Netherlands	474.3	531.5	604.9	536.9
North West Europe Imports	688.9	724.8	819.2	744.3
Exports, Fuel Oil				
Belgium	53.2	53.2	69.8	58.7
France	101.1	111.6	111.9	108.2
Germany	58.2	30.9	34.6	41.3
Netherlands	379.1	477.3	486.0	447.5
North West Europe Exports	541.1	617.3	646.4	601.6

³ <http://www.jodidb.org/>

Market Activity

According to industry sources, the estimated trading volume of fuel oil in the ARA cash market is approximately equivalent to 150,000 to 200,000 barrels per day. The typical transaction size is approximately 25,000 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 OTC swaps market. Forward cash transactions may be re-traded or the cargoes re-nominated to alternative recipients. The bid/ask spreads are typically in increments of 50 cents per metric ton (or around 0.10 cents per gallon equivalent), which reflects adequate liquidity in the cash market.

The fuel oil market covers a range of products specifications, in particular for sulphur content. High sulphur fuel oil is often blended into lower sulphur products, and as a consequence there is little distinction between the markets in the available production and consumption statistics. Market feedback indicates that two thirds of the physical volume relates to 3.5% sulphur content and the remaining one third relates to 1% sulphur content.

Price Source

Platts is the price reporting service used for the final settlement for proposed contracts. 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 methodology is derived from telephone surveys and electronic data collected from multiple market participants to determine market value⁴. Platts has a long standing reputation in the industry for price benchmarks that are fair and not manipulated. NYMEX is a party to a license agreement with Platts to utilize their pricing data.

⁴ Platts' methodology for European fuel oil price assessments can be found at <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/europeanoilproductspecs.pdf>

Analysis of Deliverable Supply

The spot month position limits for the new petroleum contract will be aggregated with the existing position limits for the respective underlying counterparts of the contract, which are currently listed on the Exchange. As mini sized contracts, positions in the new contracts will be deemed to be equivalent to 0.1 of the underlying contract.

Please note that, at this time, with regard to the European Fuel Oil markets, 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.

With regard to the European Fuel Oil market, in its analysis of deliverable supply, the Exchange concentrated on data for North West Europe for residual fuel oil. As stated above, the spot month position limits for the new fuel oil contract will aggregate into the respective underlying counterparts of the spread listed on the Exchange.

The North West Europe region is a large fuel oil production and distribution hub, with extensive refining capacity. Production levels are evaluated by the Exchange in respect of the North West Europe region for assessing deliverable supply.

Based on the refinery production data provided by the JODI (Table 2 above), the total residual fuel production in the North West Europe market was approximately 487,700 barrels per day, which is equivalent to 75,600 metric tons per day, or 2.3 million metric tons per month.

For the European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures, the Exchange has set the position limit at 400 contracts for the weekly leg and 150 contracts for the monthly leg. The daily supply of 487,700 barrels per day equates to 538,000 metric tons per week. The contract size of the European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures is 100 tons. Using the figure of two thirds as the proportion of the market which is 3.5% sulphur, the position limit of 400 contracts represents 11.2% of the deliverable supply.

A production level of 487,700 barrels per day is equivalent to 2.30 million metric tons per month. The contract size of the European 3.5% Fuel Oil Barges FOB Rdam (Platts) Futures is 1,000 metric tons. The spot position limit for the European 3.5% Fuel Oil Barges FOB Rdam (Platts) Futures contract of 150 contracts is therefore approximately 9.8% of the total monthly supply.

Contract Name	Rule Chapter	Commodity Code	Contract Size	Contract Units
European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures	863	EMW	100	Metric tons

Type	Settlement	Group	Diminishing Balance Contract	Reporting Level	Spot-Month position comprised of futures and deliveries	Spot-Month Aggregate Into Futures Equivalent Leg (1)	Spot-Month Aggregate Into Futures Equivalent Leg (2)
Futures	Financially Settled Futures	Refined Products		25		EMW	UV

Spot-Month Aggregate Into Ratio Leg (1)	Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot- Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
1 EMW : 1 EMW	10 EMW : 1 UV		400/150

Spot-Month

Initial Spot-Month Limit Effective Date

For EMW: Effective at the close of trading 3 business days prior to last trading day of the weekly contract and for UV: Close of trading 3 business days prior to

Single Month									
Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)	Single Month Aggregate Into Futures Equivalent Leg (1)	Single Month Aggregate Into Futures Equivalent Leg (2)	Single Month Aggregate Into Ratio Leg (1)	Single Month Aggregate Into Ratio Leg (2)	Single Month Accountability Level Leg (1) / Leg (2)	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	All Month Aggregate Into Futures Equivalent Leg (1)	All Month Aggregate Into Futures Equivalent Leg (2)	
	40,000/150,000	EMW	UV	1 EMW : 1 EMW	10 EMW : 1 UV	4,000/1,500		EMW	UV

All Month

All Month Aggregate Into Ratio Leg (1)	All Month Aggregate Into Ratio Leg (2)	All Month Accountability Level Leg (1) / Leg (2)	All Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
1 EMW : 1 EMW	10 EMW : 1 UV	4,000/1,500	