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

September 8, 2009

VIA E-MAIL
Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Rule Certification. New York Mercantile Exchange, Inc. Submission #09-173: Notification Regarding the Listing of Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option Contract on NYMEX Trading Floor and CME ClearPort®

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") Division of CME Group is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of a new average price option contract. The Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contract will financially settle against the currently listed average price calendar swap.

The product, rule chapter, commodity code and underlying futures contract are as follows:

Product	Rule Chapter	Commodity Code	Underlying Futures Code
Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option	668A	8H	SE

This new average price option contract will be listed for open outcry trading during the hours of 9.00 a.m. to 2:30 p.m. Eastern Daylight Time, and on CME ClearPort clearing for submission of EOO transactions pursuant to NYMEX Rule 538 beginning at 6:00 p.m. on Sunday, September 20, 2009 for trade date September 21, 2009.

This contract will be listed for 36 consecutive monthly contracts beginning with October 2009 contract month.

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. This contract will be effective for trade date September 21, 2009.

Should you have any questions concerning the above, please contact Bob Biolsi at (212) 299-2610 or me at (312) 648-5422.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Attachments

Chapter 668A
Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option

668A.01. EXPIRATION

A Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contract listed on the Exchange shall expire at the close of trading on the last business day of the calendar month.

668A.02. TRADING UNIT

A Singapore Fuel Oil 380 cst Swap (Platts) Average Price call Option traded on the Exchange represents the differential between the final settlement price of the underlying Singapore 380 cst Fuel Oil Swap contract less the strike price, or zero whichever is greater, multiplied by 1,000 metric tons. A Singapore Fuel Oil 380 cst Swap (Platts) Average Price put Option represents the differential between the strike price and the final settlement price of the underlying Singapore 380 cst Fuel Oil Swap contract, or zero, whichever is greater, multiplied by 1,000 metric tons.

668A.03. TRADING MONTHS

Trading in Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contracts shall be conducted in the months as shall be determined by the Exchange. Trading shall commence on the day fixed by the resolution of the Exchange.

668A.04. HOURS OF TRADING

The Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. to 2:30 p.m. (New York prevailing time) Monday through Friday, except on Exchange Holidays.

The Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contract is available for clearing on CME ClearPort® clearing platform from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York prevailing time), with a 45-minute halt in trading each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays.

668A.05. 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 Singapore 380 cst Fuel Oil Swap contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price unless such settlement price is precisely midway between two fifty-cent increment strike prices in which case it shall be rounded off to the lower fifty-cent increment strike price; and (ii) the twenty fifty-cent increment strike prices which are twenty increments higher than the strike price described in (i) of this Rule 668A.05(A); and (iii) the twenty fifty-cent increment strike prices which are twenty increments lower than the strike price described in (i) of this Rule 668A.05

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

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contracts 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 a Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contract in which no new strike prices may be introduced.

668A.06. PRICES

Prices shall be quoted in dollars and cents per metric ton and prices shall be in multiples of one (1) cent per metric ton. The minimum price increment will be $.01 per metric ton. A cabinet trade may occur at a price of $.001 per metric ton, or $1.00, however, if it results in the liquidation of positions for both parties to trade.

668A.07. ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Singapore Fuel Oil 380 cst Swap (Platts) Average Price Option contracts shall not be subject to price fluctuation limitations.

SUPPLEMENTAL INFORMATION

Singapore Petroleum Market

Singapore is the main refining, storage, and trading hub for the Asian oil marketplace.

The Singapore 380cst (and 180cst) fuel oil swaps are used to hedge the high-sulfur residual fuel oil market. As such, they are the main hedging tools for the Asian marketplace. The Singapore petroleum markets are highly diverse and actively traded by refiners, traders, importers, and smaller distributors. The over-the-counter (OTC) oil swaps are typically based on the Platts assessments. The Platts methodology for its price assessments for the Singapore oil markets are explained in the two links below:

http://www.platts.com/Oil/Resources/Methodology%20&%20Specifications/shippingspecs.pdf?S=n

http://www.platts.com/Oil/Resources/Methodology%20&%20Specifications/asiaoilproductspecs.pdf?S=n

The Singapore residual fuel oil market is actively traded, and includes high-sulfur 180cst and 380cst fuel oils. Generally, the Asian oil refiners are not as sophisticated as U.S. refiners, and consequently, the Asian refiners produce more high-sulfur residual fuel oil. The 380cst fuel oil is used primarily as a ship bunkering fuel and also for utility power generation. According to the Energy Information Administration (EIA) data, the Singapore refiners produce approximately 140,000 barrels per day of residual fuel oil (see the EIA Table 3.2 at the link below). Furthermore, Singapore is an import hub for residual fuel oil with over 500,000 barrels per day of imports, according to the EIA (see Table 3.3 at the link below). The total supply of high-sulfur fuel oil is around 600,000 to 650,000 barrels per day (or around 100,000 Metric Tons per day). Approximately one-quarter of the total residual fuel production is of the 380cst fuel oil quality, and also one-quarter of the total production is of 180cst fuel oil quality.

http://www.eia.doe.gov/pub/international/iea2005/table32.xls

http://www.eia.doe.gov/pub/international/iea2005/table33.xls

The Singapore residual fuel market is priced in units of dollars per metric ton. The conversion factor is 6.7 barrels per metric ton. The estimated trading volume of residual fuel oil (converted to barrel equivalents) in the Singapore cash market is approximately 500,000 to 700,000 barrels per day (or 80,000 to 100,000 metric tons 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 swaps. 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 market.

The Singapore naphtha market is moderately active, particularly in the OTC swaps market. According to the EIA, the Singapore refiners produce around 200,000 barrels per day of naphtha (see the "Other" category in Table 3.2 at the EIA link above). The Singapore market accounts for naphtha imports of around 50,000 barrels per day (see the "Other" category in Table 3.3 at the EIA link above). The estimated trading volume of naphtha in the Singapore cash market is approximately 200,000 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 swaps. The bid/ask spreads are typically in increments of 10 to 20 cents per barrel, which generally shows strong liquidity in the market.

Singapore Market Participants

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 number 30 to 40 commercial companies. A partial listing is as follows:

Refiners	Traders/End Users	Brokers	Financial (Swaps)
ConocoPhillips	Hess Energy Trading	GFI Starsupply	Citibank
Sinochem (China)	Vitol	PVM	Deutsche Bank
Unipec (China)	Glencore	Man Financial	Barclays
ExxonMobil	Total	ICAP	BankAmerica
BP	Sempra	Aspen Oil	AIG
Singapore Refining	Cargill	GFI Spectron	Merrill Lynch
Koch Petroleum	Morgan Stanley	TFS	
SK Corp. (Korea)	Goldman Sachs	Amerex	

Hyundai (Korea)	Koch	Ginga Petroleum
LG-Caltex (Korea)	Trafigura	
Shell	Phibro	
Idemitsu (Japan)	Arcadia	
Nippon (Japan)	Mercuria	
Itochu (Japan)		
Mitsubishi (Japan)		
Mitsui (Japan)		
Marubeni (Japan)		
Sumitomo (Japan)		
Cosmo Oil Co. (Japan)		
Reliance (India)		
Bharat (India)		

Forward and Futures Markets

Active futures markets have developed around the above proposed option contract. Below are the average daily volumes and open-interest for the futures contracts underlying the proposed option:

Futures	2009 Average Daily Volume Thru 08/09	08/09 Open Interest
Singapore 380 cst Fuel Oil Swap	24	191

OTC forward contracts are also cleared on the AsiaClear unit of the Singapore Futures Exchange. It is estimated that open interest in the OTC market is more than double that of the NYMEX Division contract.