



# **NYMEX® Futures on the CME Globex Platform**

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# 1. NYMEX Futures

The CME Globex platform provides virtually 24-hour access to NYMEX futures instruments in both standard-sized and NYMEX miNY™ configurations.

This guide describes the iLink 2.X functionality required to submit orders for NYMEX futures products and provides examples of outright future and spread instrument composition; for the complete current product listing and contract specifications, please refer to:

[http://www.nymex.com/globex\\_home.aspx](http://www.nymex.com/globex_home.aspx)

<http://www.cmegroup.com/trading/prd/nymex/index18612.html>

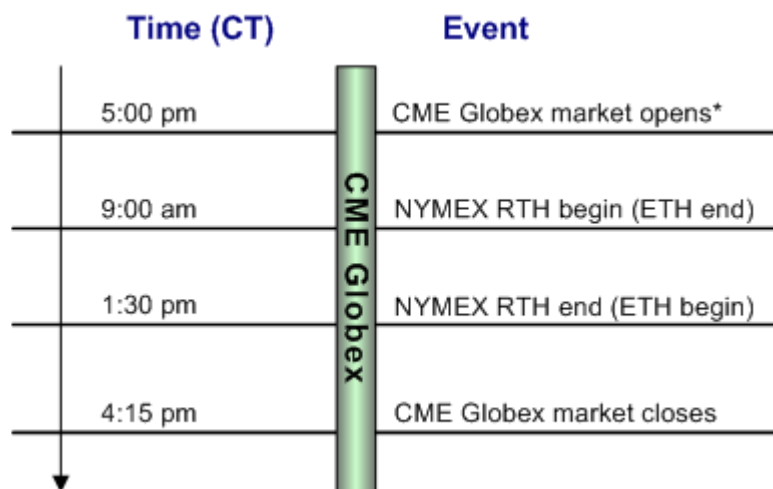
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**Note:** To be permitted to trade NYMEX futures products on CME Globex, each clearing entity must have an active clearing agreement on file with CME. For further information or questions, please contact CME Globex Account Management.

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## Trading Schedule

Regular Trading Hours (RTH) for NYMEX futures products are 9:00 am – 1:30 pm M-F Central Time. NYMEX Extended Trading Hours (ETH) are 1:30 pm to 9:00 am M-F Central Time. Big Energy futures are available on CME Globex during NYMEX ETH and miNY futures are available during standard CME Globex mini trading hours.



\* Stop Price Logic (SPL) will be in effect for NYMEX futures products trading on CME Globex.

## 1.1 Impact to Client Systems

**Current** CME customers developing applications to trade NYMEX Energy products on the CME Globex platform must be aware of the following NYMEX-specific functional impacts:

- Futures Instrument Group Codes
- Product Group Codes
- Strategy Type Codes

- CME Instrument Code Conventions
- Market Data Dissemination
- Clearing Agreement
- Bandwidth Impact

**New** CME customers who wish to trade NYMEX Energy products must also ensure system compliance for:

- Connectivity
- Certification for CME iLink 2.X
- Certification for the CME Market Data Platform

## 1.2 Example: NYMEX Energy Futures

This section provides examples of NYMEX futures instrument composition with NYMEX Energy products. This section lists contract specifications for the seven ‘Big’ futures instruments as well as the miNY instruments and strategy types available on the CME Globex platform.

### 1.2.1 Big NYMEX Energy Futures

Big future instruments for NYMEX Energy products are listed on CME Globex according to the following specifications:

**Table 1.1. Big NYMEX Energy Futures**

Product	Instrument Group Code	Product Code	Contract Size	Tick Size	Tick Value
Crude Oil Future	WS	WS	1000 barrels	.01	\$10.00
Heating Oil Future	WS	BH	42,000 gallons	.0001	\$4.20
RBOB Gasoline Future	WS	RT	42,000 gallons	.0001	\$4.20
Natural Gas Penultimate Future	HP	HP	10000 mmBTU	.001	\$10.00
Natural Gas Last-Day Future	HH	HH	10000 mmBTU	.001	\$10.00
Brent Crude Oil Future	SC	SC	1000 barrels	.01	\$10.00
NYMEX Gasoil Future	GR	GR	100 metric tons	.25	\$25.00

## 1.2.2 NYMEX miNYs

NYMEX miNY futures are listed on CME Globex according to the following specifications:

**Table 1.2. NYMEX miNY Futures**

Product	Instrument Group Code	Product Code	Contract Size	Tick Size	Tick Value
NYMEX miNY Crude Oil Future	QM	QM	500 barrels	.025	\$12.50
NYMEX miNY Heating Oil Future	QM	QH	21,000 gallons	.0010	\$21.00
NYMEX miNY Gasoline Future	QM	QU	21,000 gallons	.0010	\$21.00
NYMEX miNY Natural Gas Future	QG	QG	2500 mmBTU	.005	\$12.50
NYMEX miNY Brent Crude Oil Future	QB	QB	500 barrels	.025	\$12.50

## 1.2.3 Calendar Spreads

A Calendar spread represents the simultaneous purchase and sale of the same futures product for different contract months. All NYMEX Energy futures Calendar spreads are available. The following table provides an example of calendar spread instrument construction::

**Table 1.3. Calendar Spread Instrument Construction**

Product	Instrument Group Code	Product Code	Instrument Code	Strategy Type
Crude Oil	WS	WS	WSMY-WSMY*	SP

\*MY = Month/Year e.g. 'U6'

Instrument Code Example: Calendar Spread

**Table 1.4. Instrument Code Example: Calendar Spread**

WSU6-WSZ6	
WS	Underlying future (WTI crude oil)
U6	Front month (September 2006)
WS	Underlying future (WTI crude oil)
Z6	Back month (December 2006)

The instrument code above represents: Buy WSU6, Sell WSZ6.

**Pricing**

The pricing calculation for Calendar spread is: Leg 1 – Leg 2 = Spread Price.

**1.2.4 Strips**

Strips are similar in construction to Packs or Bundles in that they simultaneously buy (or sell) a series of consecutive same-product contracts. The Strip strategy type code is 'FS'. Strip spreads are available for crude oil, natural gas, heating oil, and RBOB gasoline contracts, with Strip combinations from 2-12 months possible. The following table provides an example of Strip instrument construction:

**Table 1.5. Strip Instrument Construction**

Product	Instrument Group Code	Product Code	Instrument Code	Strategy Type
Crude Oil	WS	WS	WS:FS 05M MY*	FS

\*MY = Month/Year e.g. 'U6'

Instrument Code Example: Futures Strip

**Table 1.6. Instrument Code Example: Futures Strip**

WS:FS 05M U6	
WS	Underlying future (WTI crude oil)
FS	Strip
05M	5 consecutive months
U6	First contract month

The instrument code above represents:

Buy 1 WSU6, Buy 1 WSV6, Buy 1 WSX6, Buy 1 WSZ6, Buy1 WSF7.

**Pricing**

Pricing for Strips is the average rounded price for all legs in the Strip (Price Leg 1 + Price Leg 2 + ...Price Leg N = Total Sum/Total Number of Legs).

For leg pricing on strip trades, CME Globex calculates the Net Change on the Strip: Trade Price – Settlement Price.

For each leg of the Strip, CME Globex applies this calculated Net Change to the Settlement of each Leg to assign the Trade Prices for the legs.

## 1.2.5 Intercommodity Spreads

Intercommodity spread instruments are composed of RBOB Gasoline versus Heating oil (please see the following section for information on the intercommodity 1:1 Crack spread). The RBOB – Heating oil spread has the following instrument specifications:

**Table 1.7. Intercommodity Spread Instrument Construction**

Product	Instrument Group Code	Product Code	Instrument Code	Tick Size	Strategy Type
RBOB gasoline-Heating oil	WS	RT	RTMY-BHMY*	.0001	IS

\*MY = Month/Year e.g. 'U6'

Instrument Code Example: Intercommodity Spread

**Table 1.8. Instrument Code Example: Intercommodity Spread**

RTU6-BHZ6	
RT	Leg 1 underlying (RBOB gasoline future)
U6	Leg 1 contract month/year
BH	Leg 2 underlying (heating oil future)
Z6	Leg 2 contract month/year

## 1.2.6 Crack Spread

Crack spreads track the refining process of 'cracking' crude oil into different fuel products and are composed of contract combinations that represent same-month crude oil and refined energy products. 1:1 Crack spreads (two-legged Cracks) are intercommodity spreads in which the trader buys the distilled contract (gasoline or heating oil) and sells the crude oil contract.

Naming Convention

To support crack spreads, Heating Oil futures (Product Code: BH), RBOB Gasoline futures (Product Code: RT) and Crude Oil (Product Code: WS) are assigned the Instrument Group Code 'WS'. The new Strategy Type Code 'C1' identifies the instrument as a 1:1 crack spread. The Instrument Code includes these codes plus the month and year to identify the actual 1:1 crack spread contract.

The following table provides an example of the codes assigned to a 1:1 Crack spread contract:

**Table 1.9. 1:1 Crack Spread Contract**

Component Product	Instrument Group Code	Product Code	Strategy Type Code	Crack Spread Products	Instrument Code	Tick Size
Heating oil	WS	BH	C1	Heating oil : WTI crude oil	WS:C1 BH-WS MY*	D1
RBOB gasoline	WS	RT		RBOB gasoline : WTI crude oil	WS:C1 RT-WS MY*	
WTI crude oil	WS	WS				

\*MY = Month/Year e.g. 'U6'

The 1:1 Crack spread instrument (as transmitted in position 72-91, 20-byte Instrument Code, of the market data Instrument Creation [MO] message) is constructed as shown in the following example:

**Example:** 20-byte Instrument Code WS:C1 BH-WS U6 representing: Buy 1 BHU6, Sell 1 WSU6

**Table 1.10. 1:1 Crack Spread**

Sample Value	Description
WS	NYMEX crude oil Instrument Group Code
C1	Strategy Type value for 1:1 Crack spread
BH	Heating oil product code (front leg)
WS	Crude oil product code (back leg)
U6	Contract month for both legs

### Trade Notification

The 1:1 Crack spread is quoted in terms of the Crude Oil contract. Therefore, to account for the pricing difference between the WTI Crude oil, RBOB gasoline, and Heating oil instruments composing the spread, upon trade execution CME Globex sends transacting parties an Execution Report – Fill (tag 35 MsgType = 8, tag 39 OrdStatus = 1 or 2) for the spread instrument and an Execution Report – Fill message for each leg of the spread *at assigned prices*.

## 1.3 Supported Order Types

NYMEX Energy products are eligible for the following order types:

- Limit
- Market to Limit
- Market with Protection
- Stop Limit
- Stop with Protection

- Orders with Minimum Quantity
- Orders with Displayed Quantity

NYMEX Energy products are eligible for the following order validities:

- GTC
- GTD
- Day
- Session
- FAK
- FOK\*

\* FOK functionality can be replicated in CME Globex by setting TimeInForce to FAK and by setting the value of MinQty equal to the value of OrderQty. For additional information, please reference the iLink 2.X Globex Message Specification.

## 1.4 GCC & Support Tools

The CME Globex Control Center (GCC) is the primary customer support team for electronic trading at CME. Additionally, the following tools are available to support customers in trading NYMEX Energy products on CME Globex:

- FirmSoft <http://www.cmegroup.com/trading/get/sup/Firmsoft2832.html>
- TeleSTAT 1.1 <http://www.cmegroup.com/trading/get/sup/tetstat10619.html>

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**Note:** To utilize these tools, clearing firms are encouraged to adopt a five-character trader ID.

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To ensure maximum benefit from FirmSoft and TeleSTAT and to expedite order and trade identification when Registered Contacts call the GCC, firms are encouraged to adopt a five-character Trader ID.

### Benefits of Five-Character Trader ID

Clearing firms register contacts with the GCC under a four-character Trader ID to enable the Registered Contact to query order status and/or cancel any or all order(s) entered under the four-character ID. The five-character ID increases the granularity afforded firms when registering traders to contact the GCC. The five-character ID may be particularly useful to CME and NYMEX firms trading products on both exchanges. The five-character ID addresses the following:

- Affiliations between CME and NYMEX firms for order execution may cause orders for more than one business entity to be combined under a single four-character Trader ID.
- Duplicate firm numbers between NYMEX and CME may cause a delay in service when GCC Analysts query order status based on the four-character Trader ID.
- If multiple firms are contained within a single Trader ID, there may be a duplication of account numbers from different clearing firms within a single Trader ID.

The five-character Trader ID further provides the following benefits:

- Proper segregation of orders, which allows additional contacts to be registered with access to the proper subset of orders.
- Each Firm is represented by unique Trader ID(s), eliminating the possibility of duplicate account numbers.
- Ability to register Traders at the account level within a Trader ID expediting order cancellation.
- Expedited phone system routing
- Web-based status/cancel for orders using CME FirmSoft: all registered contacts may use CME FirmSoft to query status and/or cancel orders, while not seeing other accounts clearing under the same Trader ID.
- Phone-based query status/order cancel using CME TeleSTAT: all registered contacts may use CME TeleSTAT to query status and/or cancel orders by telephone, while not seeing other accounts clearing under the same Trader ID.
- Phone-based status of cleared trades and net positions using CME TeleSTAT.
- Web-based portal for Firm Administrator to maintain registration information.
- Market notifications via GCC Targeted Messaging.

For additional information on the five-character Trader ID, registering contacts, or any other support questions, please contact the GCC at 312-456-2391.

## 1.5 Allocation of Give Up Trades

The prevailing rule for Give Up allocations of NYMEX products on CME Globex is that the allocation specified on the order is passed through to the proper Clearing Member, regardless of whether the allocation is to the Clearing Member who guarantees the connection or another Clearing Member.

The following examples illustrate the Give Up allocation process.

Example:

If the connection to CME Globex is guaranteed by CM# 111 and a trade occurs with Account 123456 specified on the order, the allocation is to 123456 at #111. The same allocation occurs for a trader using the CME Globex Trader™ screen, with the trader guaranteed by #111.

For Give Ups, if the order is properly specified as a Give Up to, for example, CM# 222 and Account = 5678C, the allocation for Account 123456 at CM# 111 will be passed to CM# 222 in Account 5678C.

Example:

If a Give Up is specified for an invalid Clearing Member, the trade defaults to the guarantor of the connection. For Account 123456 CM# 111, if the order is specified as Give Up to CM# 888 for Account ABCDEFG, and CM# 888 is invalid, the trade is allocated to CM# 111 (the guarantor of the connection) in Account ABCDEFG.

Example: for Clearing Members that have a different three-digit code for CME and NYMEX

For every trader or connection with permission to trade NYMEX products on CME Globex, CME provides NYMEX with both the CME CM# and the NYMEX CM#. For a Clearing Member that is #111 at NYMEX and #123 at CME, CME sends to NYMEX CME#123 and NYMEX#111.

For Give Ups, the NYMEX Clearing Member code must always be used to ensure proper allocation. If a trader guaranteed by CM# 222 is Giving Up to CME#123/NYMEX#111 and they specify CM# 123 on the Give Up, the allocation is to the CM#123 at NYMEX, which could be a different Clearing Member. If CM# 123 does not exist at NYMEX, this is treated the same as a Give Up to an invalid Clearing Member, and so the allocation reverts to CM# 222.

NYMEX does not make use of the CM# 999 "Holding Account" available at the CME. Any allocations to CM# 999 are treated as an allocation to an invalid Clearing Member as described above.

NOTE: The cover page was updated to reflect CME Group branding. No technical changes were made.