



Special Executive Report

DATE: September 26, 2017

SER#: 7998

SUBJECT: Amendments to the Daily Settlement Procedures for Certain COMEX and NYMEX Metals Futures Contracts

Effective Sunday, October 22, 2017 for trade date Monday, October 23, 2017, and pending all relevant CFTC regulatory review periods, Commodity Exchange, Inc. ("COMEX") and New York Mercantile Exchange, Inc. ("NYMEX") (collectively, the "Exchanges") will amend the daily settlement procedures for certain metals contracts ("Contracts") as indicated below:

NYMEX

Commodity Code	Contract Title	Rulebook Chapter
PL	Platinum Futures	105
PA	Palladium Futures	106

COMEX

Commodity Code	Contract Title	Rulebook Chapter
HG	Copper Futures	111
SI	Silver	112
GC	Gold Futures	113

The Exchanges are amending the daily settlement procedures for the Contracts to standardize the methodology and increase transparency and clarity of this process. The amendments will harmonize the manner in which the Contracts are settled. The implementation of a tiered structure to determine settlement prices based upon availability of trade information further demonstrates the Exchanges' commitment to transparency and price discovery. In an effort to settle the Contracts using a standardized methodology, the Exchanges intend to use:

1. A volume weighted average price ("VWAP") for the active contract month of the Contracts.
2. Volume weighted average calendar spread prices as the Tier 1 settlement criterion and active and actionable calendar spread bid and offers as Tier 2 criterion to derive settlement prices for all other months. Specifically, the Exchanges have designated precise volume levels for each futures contract upon which to base the VWAP of calendar spread transactions to reflect appropriate representation of significant trading in the product.

The current and amended daily settlement procedure documents can be viewed [HERE](#).

Inquiries regarding the aforementioned may be directed to the CME Group Global Command Center at 312.456.2391. Questions regarding this Special Executive Report may be directed to the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, in Asia at 65.6532.5010, or GCC@cmegroup.com.