



Special Executive Report

DATE: October 3, 2017

SER#: 8004

SUBJECT: Amendments to the Daily Settlement Procedures for Three (3) NYMEX Energy Futures Contracts

Effective Sunday, November 5, 2017 for trade date Monday, November 6, 2017, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. (“NYMEX”) (the “Exchange”) will amend the daily settlement procedures for three (3) energy futures contracts (“Contracts”) as indicated below:

NYMEX

Contract Title	Commodity Code	Rulebook Chapter
NY Harbor ULSD Futures	HO	150
RBOB Gasoline Futures	RB	191
Light Sweet Crude Oil Futures	CL	200

The Exchange is 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 Exchange’s commitment to transparency and price discovery. In an effort to settle the Contracts using a standardized methodology, the Exchange intends 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 Exchange has 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.