



Special Executive Report

DATE: January 10, 2012

SER#: 6071

SUBJECT: Amendments to Special Price Fluctuation Limits Rules for Crude Oil and Certain Refined Products

Effective January 12, 2012, and pending all relevant CFTC regulatory review periods, the New York Mercantile Exchange, Inc. (NYMEX or Exchange) is implementing amendments to the Associated Products Appendices of the Special Price Fluctuation Limits rules for the Exchange's Light Sweet Crude Oil (CL), New York Harbor No. 2 Heating Oil (HO), RBOB Gasoline (RB) and New York Harbor Ultra-Low Sulfur Diesel (ULSD) (LH) futures contracts.

The "Associated Products Appendix" contained in each of the above-referenced contracts is intended to ensure that whenever one of the four petroleum products listed in the appendix (i.e., Light Sweet Crude Oil futures, New York Harbor No. 2 Heating Oil futures, New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures, or RBOB Gasoline futures) reaches the maximum price fluctuation limits (in accordance with the Special Price Fluctuation Limits rule for the respective product), this results in a market halt of all three other products and any other products listed in the Associated Products Appendices.

Specifically, the amendments being implemented on January 12 include the removal of five products from the Associated Products Appendices in NYMEX Rules 200.6A (CL), 150.07A (HO), 151.07A (LH) and 191.07A (RB).

The five products being removed are Brent Crude Oil (BZ), Gulf Coast Ultra Low Sulfur Diesel (LU), Gulf Coast Gasoline (LR), Ethanol (QEN) and REBCO Crude Oil (RE). The terms and conditions of these five products, as described in the product chapters for each of BZ (Chapter 698), LU (Chapter 181), LR (Chapter 180), QEN (Chapter 192) and RE (Chapter 206), exclude or do not contemplate maximum price fluctuation limits. Therefore, the amendments are intended to rectify any discrepancies between the product terms and conditions for BZ, LU, LR, QEN and RE, and Associated Products Appendices in NYMEX Rules 200.6A (CL), 150.07A (HO), 151.07A (LH) and 191.07A (RB).

The amendments also contain administrative, non-substantive changes to the chapter titles for the contracts in the "Associated Products Appendix" such that the referenced titles are accurate and aligned with the actual chapter titles for those contracts.

The amendments to NYMEX Rules 200.6A (CL), 150.07A (HO), 151.07A (LH) and 191.07A (RB) are provided below in blackline format.

Should you have any questions, please contact Dan Brusstar, Director, Energy Research, at (212) 299-2604.

(Underscore denotes addition; ~~Strikethrough~~ denotes deletion)

Chapter 200 Light Sweet Crude Oil Futures

200.06A. ~~SPECIAL PRICE FLUCTUATION LIMITS FOR LIGHT SWEET CRUDE OIL FUTURES~~

(A) Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$10.00 per barrel above or below the previous day's settlement price for such contract month.

(B)

(1) Triggering Event and Temporary Trading Halt Related to Trading on Globex®.

If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the CL futures contract, as well as all contract months in all products cited in the Associated Product Appendix of this rule. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor, shall additionally be subject to a coordinated trading halt.

(2) Expansion of Limits Following Temporary Trading Halt.

Following the end of the 5-minute Temporary Trading Halt, the affected markets shall re-open simultaneously in all contract months of these futures contracts. When trading resumes, price fluctuation limits for each contract month shall be expanded an additional increment of the price fluctuation limits, above and below the previous day's settlement price for each contract month in the affected contracts on Globex and on the trading floor (as applicable).

(3) Each instance in which a Triggering Event occurs, a Temporary Trading Halt will commence as provided by Sub-Sections (1)-(2) above and the price fluctuation limits for all contract months shall be expanded by an additional increment of the price fluctuation limits for CL as well as all products cited in the Associated Products Appendix in this rule.

(4) End of Day Lifting of Price Fluctuation Limits.

On any Exchange business day, regardless of any prior action concerning price fluctuation limits during the trading session, commencing sixty (60) minutes before the close of the Regular Trading Hours (RTH) session, there shall be no price fluctuation limits on any contract month in CL and all products cited in the Associated Products Appendix of this rule. The Price Fluctuation Limits shall be reinstated after the close of RTH for trading on Globex and shall be in effect through to the conclusion of the current trading day's Globex trading session.

(C) Price Fluctuation Limits on the Trading Floor (Floor Trading)

(1) The price fluctuation limits cited in section (A) of this rule shall be applicable on the Trading Floor (Floor Trading). However, all markets on the trading floor shall be limited to trading at these price levels (locked limit) and shall not constitute a Triggering Event for purposes of a Temporary Trading halt on Globex.

(2) In all instances when a Triggering Event in CL occurs on Globex, Floor Trading In CL and any products cited in the Associated Products Appendix of this rule shall immediately halt. Additionally, trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix, shall be subject to a coordinated trading halt.

(3) Whenever Globex markets are expanded and re-opened pursuant to the provisions of Section (B) of this rule, effected markets on the Trading Floor shall re-open with the expanded limits in place.

(D) Associated Products Appendix

~~BZ-BRENT CRUDE OIL~~

CL Light Sweet Crude Oil Futures

HO New York Harbor No. 2 Heating Oil Futures

RB ~~NY Harbor~~-RBOB Gasoline Futures

LH New York Harbor Ultra-Low Sulphur Diesel (ULSD) Futures

~~LU-GULF COAST ULTRA LOW SULPHUR DIESEL~~

~~LR-GULF COAST GASOLINE~~

~~QEN-ETHANOL~~

~~RE-REBCO CRUDE OIL~~

QM E-mini~~MINY~~ Crude Oil Futures

QH E-mini~~MINY~~ ~~NY Harbor~~ Heating Oil Futures

Chapter 150 New York Harbor No. 2 Heating Oil Futures

150.07A **SPECIAL PRICE FLUCTUATION LIMITS for ~~New York Harbor No. 2 Heating Oil~~**

(A) Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$.25 per gallon above or below the previous day's settlement price for such contract month.

(B) (1) Triggering Event and Temporary Trading Halt Related to Trading on Globex®.

If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the HO futures contract, as well as all contract months in all products cited in the Associated Product Appendix of this rule. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor, shall additionally be subject to a coordinated trading halt.

(2) Expansion of Limits Following Temporary Trading Halt.

Following the end of the 5-minute Temporary Trading Halt, the affected markets shall re-open simultaneously in all contract months of these futures contracts. When trading resumes, price fluctuation limits for each contract month shall be expanded an additional increment of the price fluctuation limits, above and below the previous day's settlement price for each contract month in the affected contracts on Globex and on the trading floor (as applicable).

(3) Each instance in which a Triggering Event occurs, a Temporary Trading Halt will commence as provided by Sub-Sections (1)-(2) above and the price fluctuation limits for all contract months shall be expanded by an additional increment of the price fluctuation limits for HO as well as all products cited in the Associated Products Appendix in this rule.

(4) End of Day Lifting of Price Fluctuation Limits.

On any Exchange business day, regardless of any prior action concerning price fluctuation limits during the trading session, commencing sixty (60) minutes before the close of the Regular Trading Hours (RTH) session, there shall be no price fluctuation limits on any contract month in HO and all products cited in the Associated Products Appendix of this rule. The Price Fluctuation Limits shall be reinstated after the close of RTH for trading on Globex and shall be in effect through to the conclusion of the current trading day's Globex trading session.

(C) Price Fluctuation Limits on the Trading Floor (Floor Trading)

(1) The price fluctuation limits cited in section (A) of this rule shall be applicable on the Trading Floor (Floor Trading). However, all markets on the trading floor shall be limited to trading at these price levels (locked limit) and shall not constitute a Triggering Event for purposes of a Temporary Trading halt on Globex.

(2) In all instances when a Triggering Event in HO occurs on Globex, Floor Trading In HO and any products cited in the Associated Products Appendix of this rule shall immediately halt. Additionally, trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix, shall be subject to a coordinated trading halt.

(3) Whenever Globex markets are expanded and re-opened pursuant to the provisions of Section (B) of this rule, effected markets on the Trading Floor shall re-open with the expanded limits in place.

(D) Associated Products Appendix

~~BZ BRENT CRUDE OIL~~

CL ~~___ Light Sweet Crude Oil~~ Futures

HO ~~___ New York Harbor~~ No. 2 Heating Oil Futures

RB ~~___ NY Harbor~~ RBOB Gasoline Futures

LH ~~___ New York Harbor~~ Ultra-Low Sulphur Diesel (ULSD) Futures

~~LU GULF COAST ULTRA LOW SULPHUR DIESEL~~

~~LR GULF COAST GASOLINE~~

~~QEN ETHANOL~~

~~RE REBCO CRUDE OIL~~

QM ~~___ E-mini MiNY~~ Crude Oil Futures

QH ~~___ E-mini MiNY NY Harbor~~ Heating Oil Futures

Chapter 151 New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures

151.07A **SPECIAL PRICE FLUCTUATION LIMITS for ~~New York Harbor Ultra-Low Sulfur Diesel (ULSD)~~**

(A) Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$.25 per gallon above or below the previous day's settlement price for such contract month.

(B) (1) Triggering Event and Temporary Trading Halt Related to Trading on Globex®.

If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the LH futures contract, as well as all contract months in all products cited in the Associated Product Appendix of this rule. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor, shall additionally be subject to a coordinated trading halt.

(2) Expansion of Limits Following Temporary Trading Halt. Following the end of the 5-minute Temporary Trading Halt, the affected markets shall re-open simultaneously in all contract months of these futures contracts. When trading resumes, price fluctuation limits for each contract month shall be expanded an additional increment of the price fluctuation limits, above and below the previous day's settlement price for each contract month in the affected contracts on Globex and on the trading floor (as applicable).

(3) Each instance in which a Triggering Event occurs, a Temporary Trading Halt will commence as provided by Sub-Sections (1)-(2) above and the price fluctuation limits for all contract months shall be expanded by an additional increment of the price fluctuation limits for LH as well as all products cited in the Associated Products Appendix in this rule.

(4) End of Day Lifting of Price Fluctuation Limits. On any Exchange business day, regardless of any prior action concerning price fluctuation limits during the trading session, commencing sixty (60) minutes before the close of the Regular Trading Hours (RTH) session, there shall be no price fluctuation limits on any contract month in LH and all products cited in the Associated Products Appendix of this rule. The Price Fluctuation Limits shall be reinstated after the close of RTH for trading on Globex and shall be in effect through to the conclusion of the current trading day's Globex trading session.

(C) Price Fluctuation Limits on the Trading Floor (Floor Trading)

(1) The price fluctuation limits cited in section (A) of this rule shall be applicable on the Trading Floor (Floor Trading). However, all markets on the trading floor shall be limited to trading at these price levels (locked limit) and shall not constitute a Triggering Event for purposes of a Temporary Trading halt on Globex.

(2) In all instances when a Triggering Event in LH occurs on Globex, Floor Trading in LH and any products cited in the Associated Products Appendix of this rule shall immediately halt. Additionally, trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix, shall be subject to a coordinated trading halt.

(3) Whenever Globex markets are expanded and re-opened pursuant to the provisions of Section (B) of this rule, effected markets on the Trading Floor shall re-open with the expanded limits in place.

(D) Associated Products Appendix

~~BZ-BRENT-CRUDE-OIL~~

CL ~~Light Sweet Crude Oil~~ [Futures](#)

HO ~~New York Harbor~~ [No. 2 Heating Oil](#) [Futures](#)

RB ~~NY HARBOR~~-RBOB [Gasoline Futures](#)

LH ~~New York Harbor~~ Ultra-Low Sulfur Diesel ([ULSD](#)) [Futures](#)

~~LU-GULF COAST ULTRA-LOW SULPHUR DIESEL~~

~~LR-GULF COAST GASOLINE~~

~~QEN-ETHANOL~~

~~RE-REBCO-CRUDE-OIL~~

QM ~~E-mini MiNY~~ Crude Oil [Futures](#)

QH ~~E-mini MiNY NY Harbor~~ Heating Oil [Futures](#)

Chapter 191 RBOB Gasoline Futures

191.07A. ~~SPECIAL PRICE FLUCUATION LIMITS FOR (RBOB) GASOLINE FUTURES~~

(A) Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$.25 per gallon above or below the previous day's settlement price for such contract month.

(B)(1) Triggering Event and Temporary Trading Halt Related to Trading on Globex®.

If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the RB futures contract, as well as all contract months in all products cited in the Associated Product Appendix of this rule. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor, shall additionally be subject to a coordinated trading halt.

(2) Expansion of Limits Following Temporary Trading Halt.

Following the end of the 5-minute Temporary Trading Halt, the affected markets shall re-open simultaneously in all contract months of these futures contracts. When trading resumes, price fluctuation limits for each contract month shall be expanded an additional increment of the price fluctuation limits, above and below the previous day's settlement price for each contract month in the affected contracts on Globex and on the trading floor (as applicable).

(3) Each instance in which a Triggering Event occurs, a Temporary Trading Halt will commence as provided by Sub-Sections (1)-(2) above and the price fluctuation limits for all contract months shall be expanded by an additional increment of the price fluctuation limits for RB as well as all products cited in the Associated Products Appendix in this rule.

(4) End of Day Lifting of Price Fluctuation Limits.

On any Exchange business day, regardless of any prior action concerning price fluctuation limits during the trading session, commencing sixty (60) minutes before the close of the Regular Trading Hours (RTH) session, there shall be no price fluctuation limits on any contract month in RB and all products cited in the Associated Products Appendix of this rule. The Price Fluctuation Limits shall be reinstated after the close of RTH for trading on Globex and shall be in effect through to the conclusion of the current trading day's Globex trading session.

(C) Price Fluctuation Limits on the Trading Floor (Floor Trading)

(1) The price fluctuation limits cited in section (A) of this rule shall be applicable on the Trading Floor (Floor Trading). However, all markets on the trading floor shall be limited to trading at these price levels (locked limit) and shall not constitute a Triggering Event for purposes of a Temporary Trading halt on Globex.

(2) In all instances when a Triggering Event in RB occurs on Globex, Floor Trading In RB and any products cited in the Associated Products Appendix of this rule shall immediately halt. Additionally, trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix shall be subject to a coordinated trading halt.

(3) Whenever Globex markets are expanded and re-opened pursuant to the provisions of Section (B) of this rule, effected markets on the Trading Floor shall re-open with the expanded limits in place.

(D) Associated Products Appendix.

~~BZ BRENT CRUDE OIL~~

CL [Light Sweet Crude Oil Futures](#)

HO [New York Harbor No. 2 Heating Oil Futures](#)

RB [NY HARBOR-RBOB Gasoline Futures](#)

LH [New York Harbor Ultra-Low Sulphur Diesel \(ULSD\) Futures](#)

~~LU GULF COAST ULTRA-LOW SULPHUR DIESEL~~

~~LR GULF COAST GASOLINE~~

~~QEN ETHANOL~~

~~RE REBCO CRUDE OIL~~

QM [E-mini MiNY Crude Oil Futures](#)

QH [E-mini MiNY NY Harbor Heating Oil Futures](#)

QU [E-mini MiNY NY Harbor RBOB Gasoline Futures](#)