



Special Executive Report

DATE: August 25, 2010

SER#: 5368

SUBJECT: Launch of Four (4) New Coal Futures and Option Contracts on CME ClearPort and NYMEX Trading Floor

Please be advised that effective Sunday, September 12, 2010, for trade date Monday, September 13, 2010, the New York Mercantile Exchange, Inc. (NYMEX or Exchange) will list four (4) new coal futures and option contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort, a set of flexible clearing services open to over-the-counter (OTC) market participants to substantially mitigate counterparty risk and provide neutral settlement prices across asset classes. The contracts are listed with, and subject to, the rules and regulations of NYMEX and Chicago Mercantile Exchange Inc.

The indexes used for clearing and settlement are compilations of prices for steam coal, which is used for the production of electrical power, and are jointly calculated and published by Argus and IHS McCloskey, part of IHS (NYSE: IHS). The API 2 index is the international price benchmark for coal imported to northwestern Europe. The API 4 index is the international price benchmark for coal exported from the Richards Bay terminal in South Africa.

The monthly contract listing schedule for the four coal futures and option contracts will be current year plus the next two calendar years, consecutively. The four new financially settled listings beginning with the October 2010 contract month are:

- Coal (API 2) cif ARA (Argus/McCloskey) Swap Futures (commodity code **MTF**, Chapter 926)
- Coal (API 2) cif ARA (Argus/McCloskey) Option (commodity code **MTO**, Rule Chapter 927)
- Coal (API 4) fob Richards Bay (Argus/McCloskey) Swap Futures (commodity code **MFF**, Chapter 928)
- Coal (API 4) fob Richards Bay (Argus/McCloskey) Option (commodity code **MFO**, Chapter 929)

CME Group customers who trade the recently launched Dry Freight contracts will be eligible for capital efficiencies by cross margining against the coal index contracts. For more information on the contracts, please go to www.cmegroup.com/coal.

Futures Specifications for Coal (API 2) cif ARA and (API 4) fob Richards Bay (Argus/McCloskey)

Contract Size: 1,000 metric tons.

Termination of Trading: The contract shall terminate at the close of trading on the last Friday of the contract month. If such Friday is a UK holiday, the contract will terminate on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract shall terminate on the Exchange business day immediately prior.

Minimum Price Fluctuation: US\$0.05 (5¢) per metric ton.

Final Settlement Tick: US\$0.01.

Futures Fee Schedule

Product	Standard Fee			Monthly Threshold	Reduced Fee		
	Member	Non-Member	Blended		Member	Non-Member	Blended
Coal (API 2) cif ARA (Argus/McCloskey) Swap Futures	\$5.00	\$7.00	\$6.00	2,500	\$4.00	\$6.00	\$5.00
Coal (API 4) fob Richards Bay (Argus/McCloskey) Swap Futures	\$5.00	\$7.00	\$6.00	1,600	\$4.00	\$6.00	\$5.00

Product	Cash-Settlement	
	Member	Non-Member
Coal (API 2) cif ARA (Argus/McCloskey) Swap Futures	\$1.00	\$1.00
Coal (API 4) fob Richards Bay (Argus/McCloskey) Swap Futures	\$1.00	\$1.00

Options Specifications for Coal (API 2) cif ARA and (API 4) fob Richards Bay (Argus/McCloskey)

Option Type: Financially settled European-style option.

Trading unit: On the expiration of a call option, the option will be financially settled to the greater of zero or the value produced by subtracting the strike price from the floating price of underlying swap futures contract for the same contract month, multiplied by 1,000 metric tons. On the expiration of a put option, the option will be financially settled to the greater of zero or the value produced by subtracting the floating price of the underlying swap futures contract for the same contract month from the strike price, multiplied by 1,000 metric tons.

Expiration: Option expiration shall be on the last Friday of the contract month. If such Friday is a UK holiday, the contract will expire on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract will expire on the Exchange business day immediately prior the last Friday of the contract month.

Strike price intervals: Twenty strike prices in increments of \$0.50 per metric ton above and below the at-the-money strike price for a total of at least 3 strike prices. Strike price boundaries are adjusted according to futures price movements.

Minimum Price Fluctuation: US\$0.01 (1¢) per metric ton.

Option Fee Schedule

Fee	Member	Non-Member
Overnight Trade	\$1.40	\$2.90
ClearPort	\$3.50	\$5.00

Fee	House Account	Customer Account
Exercise	\$0.40	\$0.85

The chapters setting forth the terms and conditions of these new swap futures and option contracts will be available on the Exchange's online rulebook. Margins and position limits will be announced in separate notices.

Should you have any questions or require any further information, please contact Richard Stevens at +44 20 7796 7129 or Adila Mchich 212.299.2270.

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