



## Special Executive Report

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S-5610

February 1, 2011

### **INCREASES TO SPOT-MONTH POSITION LIMITS FOR NYMEX SOFT**

#### **COMMODITY FUTURES**

**The exchange will increase spot-month position limits beginning with the March 2011 contract in NYMEX Cocoa, Coffee, and No. 11 Sugar and with the December 2011 contract in NYMEX Cotton.**

Currently, the four agricultural soft commodity futures contracts traded at NYMEX (Cocoa, Coffee, Cotton, and No. 11 Sugar) are cash settled with their daily and final settlement prices set to the value of the corresponding primary physically-delivered contracts at ICE-US. The current spot-month speculative position limit is 300 contracts for NYMEX Cocoa; 100 contracts for NYMEX Coffee; 50 contracts for NYMEX Cotton; and 100 contracts for NYMEX No. 11 Sugar. These spot-month position limits go into effect at the open of trading on the third to last trading day of the expiring contract. The current spot-month limits are low relative to the single- and all-month limits resulting in the possibility of market congestion in the days leading up to spot-month limit implementation. Market participants have requested that the Exchange increase the spot-month position limits to at least the level of the primary market spot-month limits.

Based on the reasons above, the Exchange will increase the spot-month speculative position limits from 300 to 1,000 for NYMEX Cocoa futures; from 100 to 500 for NYMEX Coffee futures; from 50 to 300 for NYMEX Cotton futures, consistent with Federal Limits for cotton; and from 100 to 1,000 for NYMEX No. 11 Sugar futures.

These spot-month position limits go into effect as of the open of trading on the third to the last trading day of the expiring contracts. More specifically, the Exchange intends to implement these increased spot-month limits on the March 2011 contracts for NYMEX Cocoa (2/9/2011); NYMEX Coffee (2/14/2011); NYMEX No. 11 Sugar (2/24/2011); and on the December 2011 contract for NYMEX Cotton (11/18/2011).

If you require any additional information, please contact Randy Shao at 312-648-3795 or via e-mail at [Renyuan.Shao@cmegroup.com](mailto:Renyuan.Shao@cmegroup.com); Fred Seamon at 312-634-1587 or via e-mail at [Fred.Seamon@cmegroup.com](mailto:Fred.Seamon@cmegroup.com).

Deletions [~~bracketed and struck through~~]; Additions **bolded** and underlined.

## NYMEX Rulebook Chapter 5 Trading Qualifications and Practices

### 559. POSITION LIMITS AND EXEMPTIONS

The position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table ("Table") in the Interpretations Section at the end of Chapter 5.

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Position Limit, Position Accountability and Reportable Level Table												
Contract Name	Rule Chapter	Commodity Code	Diminishing Balances Contracts	All Month Accountability Level	Any One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Expiration Accountability Level - Penultimate and Metals Contracts	Expiration Accountability Level Last Day Contracts	Reporting Level	Aggregate Into (1)	Aggregate Into (2)
				<b>Rule 560</b>	<b>Rule 560</b>	<b>Rule 559</b>	<b>Rule 559</b>	<b>Rule 560</b>	<b>Rule 560</b>	<b>Rule 561</b>		
<b>PECO Zone</b>												
PJM PECO Zone 5 MW Peak Calendar-Month Day-Ahead LMP Swap Futures	182	4N		9,000	7,000		2,000			25	4N	
PJM PECO Zone 5 MW Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	183	4P		100,000	80,000		40,000			25	4P	
<b>PENELEC Zone</b>												
PJM PENELEC Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	292	49		9,000	7,000		2,000			25	49	
PJM PENELEC Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	293	50		200,000	150,000		40,000			25	50	
<b>PEPCO Zone</b>												
PJM PEPCO Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	168	R8		9,000	7,000		2,000			25	R8	
PJM PEPCO Zone Peak Calendar-Month Day-Ahead LMP Swap Option	924	PEP		9,000	7,000		2,000			25	R8	
PJM PEPCO Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	169	Q8		100,000	80,000		40,000			25	Q8	
<b>PPL Zone</b>												
PJM PPL Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	170	L5		9,000	7,000		2,000			25	L5	
PJM PPL Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	171	F5		100,000	80,000		40,000			25	F5	
<b>PSEG Zone</b>												
PJM PSEG Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	172	L6		9,000	7,000		2,000			25	L6	
PJM PSEG Zone Peak Calendar-Month Day-Ahead LMP Swap Option	922	PSG		9,000	7,000		2,000			25	L6	
PJM PSEG Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	173	W6		100,000	80,000		40,000			25	W6	
<b>Western Hub</b>												
PJM Peak Calendar-Month LMP Swap Futures	635	JM		7,000	5,000		1,000			25	JM	
PJM Calendar-Month LMP Swap Option	380	JO		7,000	5,000		1,000			25	JM	

