



## Special Executive Report

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**DATE:** August 24, 2015  
**SER#:** 7423  
**SUBJECT:** Amendments to Termination of Trading Rule of Four (4) Asia Coal Option Contracts

Effective Sunday, August 30, 2015 for trade date Monday, August 31, 2015, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend the termination of trading rule of the four (4) Asia coal option contracts identified in the table below.

Contract Name	Commodity Code	Rule Chapter
Coal (API 8) cfr South China (Argus/McCloskey) Option on Quarterly Futures Strip	A84	1121
Indonesian Coal (McCloskey sub-bituminous) Option on Quarterly Futures Strip	IC4	1132
Coal (API 8) cfr South China (Argus/McCloskey) Option on Calendar Futures Strip	AC8	1123
Indonesian Coal (McCloskey sub-bituminous) Option on Calendar Futures Strip	ICC	1133

These Asia coal options are physically settled contracts that exercise into underlying futures contracts upon expiration. The exercise of these Asia option contracts is set to take place during the Exchange's mid-day clearing cycle. The amendments add language to the Termination of Trading rule of each product to codify the exercise process. Currently there is no open interest in these option contracts.

The rule amendments are provided in blackline format in Appendix A.

Enquiries concerning this action should be addressed to:

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Appendix A

(Underline indicates addition; ~~strikethrough~~ indicates deletion)

**Chapter 1121**

**Coal (API 8) cfr South China (Argus/McCloskey) Option on Quarterly Futures Strip**

**1121101. OPTION CHARACTERISTICS**

**1121101.E. Termination of Trading**

The option contract shall expire 30 calendar days prior to the first calendar day of the first month in the strip of deliverable futures. If such day is not a London business day, trading shall terminate on the preceding London business day. Trading shall cease at 3:30 p.m. London Time on the expiration day.

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 6:00 p.m. London time on the Expiration Day. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on the settlement price for the underlying strip of futures on the Expiration Day.

**Chapter 1132**

**Indonesian Coal (McCloskey sub-bituminous) Option on Quarterly Futures Strip**

**1132101. OPTION CHARACTERISTICS**

**1132101.E. Termination of Trading**

The option contract shall expire 30 calendar days prior to the first calendar day of the first month in the strip of deliverable futures. If such day is not a London business day, trading shall terminate on the preceding London business day. Trading shall cease at 3:30 p.m. London Time on the expiration day.

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 6:00 p.m. London time on the Expiration Day. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on the settlement price for the underlying strip of futures on the Expiration Day.

**Chapter 1123**

**Coal (API 8) cfr South China (Argus/McCloskey) Option on Calendar Futures Strip**

**1123101. OPTION CHARACTERISTICS**

**1123101.E. Termination of Trading**

The option contract shall expire 30 calendar days prior to the first calendar day of the first month in the strip of deliverable futures. If such day is not a London business day, trading shall terminate on the preceding London business day. Trading shall cease at 3:30 p.m. London Time on the expiration day.

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 6:00 p.m. London time on the Expiration Day. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on the settlement price for the underlying strip of futures on the Expiration Day.

**Chapter 1133**

**Indonesian Coal (McCloskey sub-bituminous) Option on Calendar Futures Strip**

**1133101. OPTION CHARACTERISTICS**

**1133101.E. Termination of Trading**

The option contract shall expire 30 calendar days prior to the first calendar day of the first month in the strip of deliverable futures. If such day is not a London business day, trading shall terminate on the preceding London business day. Trading shall cease at 3:30 p.m. London Time on the expiration day.

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 6:00 p.m. London time on the Expiration Day. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on the settlement price for the underlying strip of futures on the Expiration Day.