

Market Surveillance

DATE: August 17, 2016

NOTICE #: MSN08-17-16

SUBJECT: Large Trader Requirements. Amendments to Freight Route TD3 (Baltic) Futures Contract

Effective trade date Monday, August 22, 2016, the New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") shall resume the listing of contract months commencing with the January 2018 contract and beyond for Freight Route TD3 (Baltic) futures ("TL") contract (see [SER-7685](#) published August 5, 2016). Specifically, starting with the January 2018 contract month, the Floating Price rule of the TL futures contract shall be based on the Baltic Exchange assessment of new route TD3C. The TD3C route is assessed by the same existing panelists for TD3. The main change is that the assessment will be for ports of discharge in China instead of Japan, along with cargo size, laydays and commissions. The TD3C route is intended to reflect the significant increase in imports into China and the increased importance of the destination ports in China.

As a result of the amendment to the Floating Price rule of the TL contract, please note below and in [Appendix B](#) of NYMEX Submission No. [16-248](#), the spot month position limits (NYMEX Rule 559), single month and all month accountability levels (NYMEX Rule 560), and reportable levels (NYMEX Rule 561.B.) for TL beginning with the January 2018 contract month.

Effective trade date August 22, 2016 and pending all relevant CFTC regulatory review periods, the amendment to the terms and conditions for TL will be inserted into the [NYMEX Position Limit, Position Accountability and Reportable Level Table](#) located in the Interpretations & Special Notices Section of Chapter 5 of the NYMEX Rulebook.

(Bold, underline indicates additions)

Contract Name	Rule Chapter	Commodity Code	Contract Size and Units	Diminishing Balance Contract	Reporting Level	Spot-Month Limit	Single Month and All Month Accountability Levels
Freight Route TD3 (Baltic) Futures <u>(For contract months up to and including December 2017)</u>	684	TL	1,000 Metric tons	Y	25	2,500	10,000
<u>Freight Route TD3C (Baltic) Futures (Effective January 2018 contract month and thereafter)</u>	<u>684</u>	<u>TL</u>	<u>1,000 Metric tons</u>	<u>Y</u>	<u>25</u>	<u>2,500</u>	<u>10,000</u>

The commodity codes are provided for the Clearing Members that file reports pursuant to CME Rule 561.A. in a machine-readable format.

Please refer questions on this subject to:

Market Regulation

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