

Market Surveillance

DATE: January 4, 2018

NOTICE #: MSN01-04-18

SUBJECT: Amendments to Five (5) European Low Sulphur Gasoil Calendar Spread Option Contracts

Effective on trade date Monday, January 8, 2018 and commencing with the January 2018 contract month and beyond, the New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend five (5) European low sulphur gasoil calendar spread option contracts (the "Contracts"). Specifically, the Exchange will amend the underlying futures, contract size, listing rule, aggregation allocation ratios and settlement type of the Contracts as noted below and in [Exhibit C](#) of NYMEX Submission No. [17-510R](#) (see [SER-8054](#) published December 20, 2017).

Pursuant to NYMEX Submission No. [17-426](#) dated November 10, 2017, the Exchange implemented amendments to the underlying European Low Sulphur Gasoil (100mt) Bullet Futures contract. Based on feedback from and validation by market participants, the Exchange is implementing these rule amendments to further align our product offerings with industry practice in the gasoil markets. The Contracts' underlying futures contract is being amended to reflect a more active market. The related reduction of contract size is commensurate with the new underlying futures contract. Modifying the settlement type from physical to financial will allow customers the ability to hedge spread risk while alleviating liquidity risk during less active periods of the underlying contract market.

(bold/underline indicates addition; strikethrough indicates deletion)

Contract Name	Rule Chapter	Commodity Code	Contract Size and Units	Settlement Type	Aggregate Into Futures Equivalent (Leg 1)	Aggregate Into Futures Equivalent (Leg 2)	Aggregate Into Ratio (Leg 1)
European Low Sulphur Gasoil Calendar Spread Option (One Month)	552	GXA	100 1,000 Metric Tons	Financially Settled Option Exercises into Financial Futures	BG	BG	10 1 GXA : 1 BG
European Low Sulphur Gasoil Calendar Spread Option (Six Month)	552	GXM	100 1,000 Metric Tons	Financially Settled Option Exercises into Financial Futures	BG	BG	10 1 GXM : 1 BG
European Low Sulphur Gasoil Calendar Spread Option (Three Month)	552	GXC	100 1,000 Metric Tons	Financially Settled Option Exercises into Financial Futures	BG	BG	10 1 GXC : 1 BG

European Low Sulphur Gasoil Calendar Spread Option (Twelve Month)	552	GXZ	100 1,000 Metric Tons	Financially Settled Option Exercises into Financial Futures	BG	BG	10 1 -GXZ : 1 BG
European Low Sulphur Gasoil Calendar Spread Option (Two Month)	552	GXB	100 1,000 Metric Tons	Financially Settled Option Exercises into Financial Futures	BG	BG	10 1 -GXZ : 1 BG

Effective trade date Monday, January 8, 2018 and pending all relevant CFTC regulatory review periods, the amendments 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.

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

Please refer questions on this subject to:

Market Regulation

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