



Special Executive Report

DATE: October 28, 2016

SER#: 7770

SUBJECT: Amendments to NYMEX/COMEX Rule 300.20 (Strike Price Listing Procedures) and Amendments to NYMEX Coal, NYMEX Natural Gas, and NYMEX and COMEX Metals Option Contracts

Effective Sunday, November 13, 2016 for trade date Monday, November 14, 2016, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange Inc. ("COMEX") (collectively, the "Exchanges") will amend NYMEX/COMEX Rule 300.20 ("Strike Price Listing Procedures") located in NYMEX/COMEX Chapter 300 ("Options Contracts").

The Exchanges are in the process of deleting language referencing specific strike price information from each options contract product chapter and replace it with generic language that directs market participants to amended Rule 300.20 as outlined below.

XXX.XX STRIKE PRICE

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

The Exchanges are adopting a Strike Price Listing Procedures Table ("Table") in Rule 300.20. The Table will provide a comprehensive repository of the strike price listing procedures for all NYMEX and COMEX option contracts. In addition, the text of Rule 300.20 is being amended to reference the Table and additional strike price listing procedures. Amended Rule 300.20 and the new Table will apply to all NYMEX and COMEX option contracts.

Amendments to Rule 300.20 are provided below in blackline format.

**NYMEX/COMEX
Chapter 300
("Options Contracts")**

(additions underscoring; deletions ~~struck through~~)

300.20 STRIKE PRICE LISTING PROCEDURES

Transactions shall be conducted for option contracts with strike price increments as set forth in the Strike Price Listing Procedures Table ("Table") below. In addition, the Exchange may: (1) modify the range of strike prices (including the number of strike prices that will be introduced on each business day); (2) allow dynamic strike price generation as it deems appropriate to respond to market conditions; and (3) modify increments between strike prices.

~~(A) In addition to strike prices authorized pursuant to other Rules or Resolutions, the President of the Exchange or his designee may direct that additional strike prices be added provided they may be listed only in increments consistent with the pricing for the underlying futures contract.~~

~~(B) Such directed strike prices shall be effective upon adoption. Notice of such adoption must be given by the Exchange to the CFTC pursuant to Commission Regulation § 1.41(n) in such fashion that the CFTC receives such notice within three business days of the strike price listing.~~

Also effective Sunday, November 13, 2016 for trade date Monday, November 14, 2016, and pending all relevant CFTC regulatory review periods, the Exchanges will amend rules relating to their Coal, Natural Gas, and Metals option contracts (the “Contracts”).

The amendments will: (1) amend the strike price listing rules and direct that the information regarding the Exchange’s strike prices be consolidated and housed in the Strike Price Listing Procedures Table (“Table”) located in NYMEX/COMEX Rule 300.20 (“Strike Price Listing Procedures”) in NYMEX/COMEX Chapter 300 (“Options Contracts”) (see [Appendix A](#)); (2) align the CME Globex listing schedule with the trading floor and CME ClearPort (see [16-402](#)); and (3) provide additional administrative, non-substantive changes to the Contracts (see [Appendix B](#)).

For additional information, please contact:

Joann Arena	Joann.Arena@cmegroup.com	Metals	212 299 2356
Adila Mchich	Adila.Mchich@cmegroup.com	Energy	212 299 2270
Richard Stevens	Richard.Stevens@cmegroup.com	Coal	+44 20 2239 3790
Jeff White	Jeff.White@cmegroup.com	Energy	212 299 2325