



Special Executive Report

DATE: June 21, 2019

SER#: 8282RR

SUBJECT: REMINDER: Amendments to the Minimum Price Fluctuation of Three (3) Ethanol Futures and Option Contracts

Please be reminded that effective Sunday, June 23, 2019 for trade date Monday, June 24, 2019, New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) will amend the price increment rules of the Chicago Ethanol (Platts) Futures, Chicago Ethanol (Platts) Calendar Spread Option, and Chicago Ethanol (Platts) Average Price Option contracts (the “Contracts”) (collectively, the “Rule Amendments”) as noted in the table below.

Specifically, the Exchange will reduce the minimum price fluctuation of the Contracts for submission for clearing via CME ClearPort and increase the minimum price fluctuation of the Contracts for trading on the CME Globex electronic trading platform. The Rule Amendments will more accurately reflect current market practices of the Contracts.

Also at this time, the Exchange, will implement additional non-substantive, administrative amendments in an effort to harmonize language in the rulebook chapters of the Contracts.

The Rule Amendments are provided in Appendix A below with additions underscored and deletions ~~struck through~~.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter	Current Minimum Price Fluctuation CME Globex and CME ClearPort	Reduced Minimum Price Fluctuation CME ClearPort	Increased Minimum Price Fluctuation CME Globex
Chicago Ethanol (Platts) Calendar Spread Option	CE1	420	\$0.0001	\$0.00005	\$0.00025
Chicago Ethanol (Platts) Average Price Option	CVR	422	\$0.0001	\$0.00005	\$0.00025
Chicago Ethanol (Platts) Futures	CU	582	\$0.0001	\$0.00005	\$0.00025

Please refer questions on this subject to:

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Appendix A

NYMEX Rulebook

(additions underscored; deletions struck through)

Chapter 420 Chicago Ethanol (Platts) Calendar Spread Option

420101. **OPTION CHARACTERISTICS**

420101.C. **Price Increments**

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.000054 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 per contract.

Chapter 422 Chicago Ethanol (Platts) Average Price Option

422.01 **EXPIRATION**

~~A Chicago Ethanol (Platts) Average Price Option on the Exchange shall expire at the close of trading on the last business day of the calendar month. The expiration date shall be announced prior to the listing of the option contract.~~

422.02 **TRADING UNIT**

~~A Chicago Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Chicago Ethanol (Platts) Swap Future less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Chicago Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Chicago Ethanol (Platts) Swap Futures, or zero, whichever is greater, multiplied by 42,000 gallons.~~

422.03 **TRADING MONTHS**

~~Trading in Chicago Ethanol (Platts) Average Price Option shall be conducted in the months as shall be determined by the Exchange.~~

422.04 **STRIKE PRICES**

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

422.05 **PRICES**

~~Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.0001 per gallon. The minimum price increment will be \$0.0001. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1 per contract.~~

422.06 **ABSENCE OF PRICE FLUCTUATION LIMITATIONS**

~~Trading in Chicago Ethanol (Platts) Average Price Option shall not be subject to price fluctuation limitations.~~

422.07. **DISCLAIMER**

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Chapter 422 Chicago Ethanol (Platts) Average Price Option

422100. **SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on Chicago Ethanol (Platts) Futures. In addition to the rules of this chapter, transactions in options on Chicago Ethanol (Platts) Futures shall be subject to the general rules of the Exchange insofar as applicable.

422101. **OPTION CHARACTERISTICS**

The number of months open for trading at a given time shall be determined by the Exchange.

422101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

422101.B. Trading Unit

A Chicago Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Chicago Ethanol (Platts) Futures less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Chicago Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Chicago Ethanol (Platts) Futures, or zero, whichever is greater, multiplied by 42,000 gallons.

422101.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.00005 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 per contract.

422101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

422101.E. Termination of Trading

Trading terminates at the close of trading on the last business day of the contract month.

422101.F. Type Option

The option is a European-style option.

422102. **EXERCISE PRICES AND CHARACTERISTICS**

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

422103. **DISCLAIMER**

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Chapter 582 Chicago Ethanol (Platts) Futures

582.01 **SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

582.02 — FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts for Chicago Ethanol (terminal) for each business day that it is determined during the contract month.

582.03 — CONTRACT QUANTITY AND VALUE

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

582.04 — CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

582.05 — PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon. There shall be no maximum price fluctuation.

582.06 — TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

582.07 — FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

582.08 — RESERVED

582.09 — DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Chapter 582
Chicago Ethanol (Platts) Futures

582100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

582101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations as published by S&P Global Platts for Chicago Ethanol (terminal) for each business day that it is determined during the contract month.

582102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

582102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

582102.B. Trading Unit

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

582102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.00005 per gallon for transactions submitted for clearing via CME ClearPort. The minimum price fluctuation shall be \$0.00025 per gallon for trades executed on CME Globex electronic trading platform.

582102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

582102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

582103. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

582103. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.