CME Group

Special Executive Report

DATE: **November 26, 2019**

SER# **8485**

SUBJECT: **Amendments to the Contract Specification Rules of Three (3) Platts Petroleum Futures Contracts**

Effective Sunday, December 22, 2019 for trade date Monday, December 23, 2019, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will implement amendments to the contract specification rules of three (3) Platts petroleum futures contracts (the "Contracts") which are available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

Specifically, the Exchange will amend the language in Chapters 697 and 1087 to correctly reflect that trading shall end one business day prior to the termination of the Brent Crude Oil Last Day Financial Futures, rather than the incorrect reference to the Brent Crude Oil Penultimate Financial Futures. The Exchange will amend the language in Chapter 1425, to correctly reflect a barge delivery. Also at this time, the Exchange shall implement harmonization amendments to the product rulebook chapters (collectively, the "Rule Amendments"). The Table 1. below provides a summary of the Rule Amendments. Exhibit A below provides the rulebook chapters in blackline format.

The Rule Amendments are administrative in nature and will not alter the Exchange's existing termination of trading practice nor the economic value of the Contracts.

Table 1.

Contract Title	Rulebook Chapter	CME Globex and ClearPort codes	Current Contract Specification Rule	Corrected Contract Specification Rule
Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures	**697**	**ADB/DB**	(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below. (B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used	(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below. (B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil **Last Day Financial Futures** ~~Penultimate Financial Futures~~ contract when the settlement price of the second nearby Brent Futures contract will be used

Brent Crude Oil vs. Dubai Crude Oil (Platts) BALMO Futures	**1087**	**BDB**	The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in below. The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used.	**(A)** The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in **(B)** below. **(B)** The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil **Last Day Financial Futures** ~~Penultimate Financial Futures~~ contract when the settlement price of the second nearby Brent Futures contract will be used.
European FOB Rdam Marine Fuel 0.5% (Platts) vs. European 3.5% FOB Barges (Platts) Futures	**1425**	**R53**	The Floating Price for each contract month is equal to the arithmetic average of the "$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam cargo" minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month. The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.	The Floating Price for each contract month is equal to the arithmetic average of the "$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam ~~cargo~~" **Barge"** minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month. The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

Inquires regarding the aforementioned may be directed to:

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Exhibit A
NYMEX Rulebook
(additions underscored; deletions ~~struck through~~)

Chapter 697
Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures

~~**697.01. 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.~~

~~**697.02. FLOATING PRICE**~~

~~(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.~~

~~(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used.~~

~~**697.03. CONTRACT QUANTITY AND VALUE** The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

~~**697.04. CONTRACT MONTHS**~~

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

~~**697.05. PRICES AND FLUCTUATIONS**~~

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be $0.001 per barrel. There shall be no maximum price fluctuation.~~

~~**697.06. TERMINATION OF TRADING**~~

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

~~**697.07. 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.~~

~~**697.08. RESERVED**~~

~~**697.09. DISCLAIMER**~~

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

Chapter 697
Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures

697101. 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.

697102. CONTRACT SPECIFICATIONS

(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil **Last Day Financial Futures** ~~Penultimate Financial Futures~~ contract when the settlement price of the second nearby Brent Futures contract will be used.

697103. TRADING SPECIFICATIONS

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

697103.A. Trading Schedule

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

697103.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

697103.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be $0.001 per barrel.

697103.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.

697102.E. Termination of Trading

Trading shall cease on last day of the contract month.

697103. FINAL SETTLEMENT

Final settlement 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.

697104. DISCLAIMER

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

Chapter 1087
Brent Crude Oil vs. Dubai Crude Oil (Platts) BALMO Futures

1087100. 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.

1087101. CONTRACT SPECIFICATIONS

(A) The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in **(B)** below.

(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil **Last Day Financial Futures** ~~Penultimate Financial Futures~~ contract when the settlement price of the second nearby Brent Futures contract will be used.

1087102. TRADING SPECIFICATIONS

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

1087102.A. Trading Schedule

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

1087102.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1087102.B. Price Increments

Prices shall be quoted in USD and cents per barrel. The minimum price fluctuation shall be USD 0.001 per barrel. There shall be no maximum price fluctuation.

1087102.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.

1087102.E. Termination of Trading

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

1087103. 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.

1087104. DISCLAIMER

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

Chapter 1425
European FOB Rdam Marine Fuel 0.5% (Platts) vs. European 3.5% FOB Barges (Platts) Futures

1425101. 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.

1425102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the "$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam ~~cargo~~**Barge**" minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month.

The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

1425103. TRADING SPECIFICATIONS

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

1425103A. Trading Schedule

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

1425103B. Trading Unit

The contract quantity shall be 1000 metric tons. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

1425103C. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be $0.001 per metric ton. There shall be no maximum price fluctuation.

1425103D. 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.

1425103E. Termination of Trading

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

1425104. 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.

1425105. DISCLAIMER

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