



## Special Executive Report

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**DATE:** January 31, 2020

**SER#:** 8487

**SUBJECT:** Amendments to the Holiday Schedule for the Brent Crude Oil Average Price Option Contract and its Underlying Brent Financial Futures Contract

Effective Sunday, February 23, 2020 for trade date Monday, February 24, 2020, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend the holiday schedule for the Brent Crude Oil Average Price Option contract (Rulebook Chapter 379; Code BA) and its underlying futures contract, the Brent Financial Futures contract (Rulebook Chapter 696; Code CY) (the "Contracts") to align with the holiday schedule for the ICE Brent Crude Oil contract.

The Contracts were previously set up to expire following the U.S. holiday calendar, and consequently, this will be adjusted to conform with the ICE energy holiday schedule for the last trading day. The Exchange is inserting additional language in Rules 379101.A. and 696101A. ("Trading Schedule") of the Contracts to clarify that the trading calendar will conform to the ICE energy holiday schedule.

Also, at this time, the Exchange is implementing administrative amendments to harmonize the rulebook chapters of the Contracts with other NYMEX product rulebook chapters (collectively, the "Rule Amendments").

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

Please refer questions on this subject to:

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**Exhibit A**  
**CURRENT NYMEX RULEBOOK**  
(deletions struck through)

**Chapter 379**  
**Brent Crude Oil Average Price Option**

**379.01 EXPIRATION**

~~A Brent Crude Oil Average Price Option contract 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.~~

**379.02 TRADING UNIT**

~~A Brent Crude Oil Average Price Option contract is a cash-settled option. On expiration of a call option, the value will be the difference between the settlement price of the underlying Brent (ICE) Calendar Swap contract and the strike multiplied by 1,000, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the settlement price of the underlying Brent (ICE) Calendar Swap contract multiplied by 1,000, or zero, whichever is greater.~~

**379.03 TRADING MONTHS**

~~Trading in Brent Crude Oil Average Price Option Contracts shall be conducted in the months as shall be determined by the Board of Directors (the "Board"). Trading shall commence on the day fixed by the resolution of the Board.~~

**379.04 HOURS OF TRADING**

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

**379.05 STRIKE PRICES**

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

**379.06 PRICES**

~~Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of one (1) cent per barrel. A cabinet trade may occur at a price of \$.001 per barrel, or \$1.00 per a contract.~~

**379.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS**

~~Trading in Brent Crude Oil Average Price Option contracts shall not be subject to price fluctuation limitations.~~

**Chapter 696**  
**Brent Financial Futures**

**696.01 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.~~

**696.02 FLOATING PRICE**

~~(A) The Floating Price for each contract month is equal to the arithmetic average of the Brent Crude Oil (ICE) Futures 1st nearby contract settlement prices, except as set forth in Section (B) below, for each business day that it is determined during the contract month.~~

~~(B) The settlement price of the 1st 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 2nd nearby Brent Crude Oil Penultimate Financial Futures contract will be used.~~

**696.03** ~~CONTRACT QUANTITY AND VALUE~~

~~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.~~

**696.04** ~~CONTRACT MONTHS~~

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

**696.05** ~~PRICES AND FLUCTUATIONS~~

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. There shall be no maximum price fluctuation.~~

**696.06** ~~TERMINATION OF TRADING~~

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

**696.07** ~~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.~~

**696.08** ~~RESERVED~~

**696.09** ~~DISCLAIMER~~

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**AMENDED NYMEX RULEBOOK**  
(additions underscored)

**Chapter 379**  
**Brent Crude Oil Average Price Option**

**379100.** **SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on the Brent Financial Futures contract. In addition to the rules of this chapter, transactions in options on Brent Financial Futures shall be subject to the general rules of the Exchange insofar as applicable.

**379101.** **OPTION CHARACTERISTICS**

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

**379101.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange. The trading calendar will follow the ICE energy holiday schedule.

**379101.B. Trading Unit**

A Brent Crude Oil Average Price Option is a cash-settled option. On expiration of a call option, the value will be the difference between settlement price of the underlying Brent Financial Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On expiration of a put option,

the difference between settlement price of the underlying Brent Financial Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater.

**379101.C. Price Increments**

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.

**379101.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.

**379101.E. Termination of Trading**

Trading shall cease at the close of trading on the last business day of the calendar month.

**379101.F. Type Option**

The option is a European-style option which can be exercised on the expiration day.

**379102.**

**EXERCISE PRICES AND CHARACTERISTICS**

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

**Chapter 696  
Brent Financial Futures**

**696100.**

**SCOPE OF CHAPTER**

The provisions of these rules shall apply to all futures 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.

**696101.**

**CONTRACT SPECIFICATIONS**

(A) The Floating Price for each contract month is equal to the arithmetic average of the Brent Crude Oil (ICE) Futures 1st nearby contract settlement prices, except as set forth in Section (B) below, for each business day that it is determined during the contract month.

(B) The settlement price of the 1st nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil (ICE) Futures contract when the settlement price of the 2nd nearby Brent Crude Oil (ICE) Futures contract will be used.

**696102.**

**TRADING SPECIFICATIONS**

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

**696102.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange. The trading calendar will follow the ICE energy holiday schedule.

**696102.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.

**696102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.

**696102.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.

**696102.E. Termination of Trading**

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

**696103.**

**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.