



Special Executive Report

DATE: February 10, 2020

SER#: 8514R

SUBJECT: Amendments to the WTI Houston vs. WTI Trade Month Average Price Option and the WTI Houston vs. Brent Trade Month Average Price Option Contracts

(This SER 8514R supersedes and replaces SER 8514 dated January 23, 2020.)

Effective Tuesday, February 25, 2020 for trade date Wednesday, February 26, 2020, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend the WTI Houston vs. WTI Trade Month Average Price Option and the WTI Houston vs. Brent Trade Month Average Price Option contracts (the "Contracts") as noted in the table below commencing with the April 2020 contract month and beyond. There is no open interest in the Contracts.

Current Contract Title	Amended Contract Title	Rulebook Chapter	CME Globex and CME ClearPort Code	Current Termination of Trading	Amended Termination of Trading
WTI Houston vs. WTI Trade Month Average Price Option	WTI Houston vs. WTI Crude Oil Spread Option	817	HAP	25 th calendar day of the month prior to the contract month	one business day preceding the expiration of the front-month WTI Houston Crude Oil Futures (HCL) contract.
WTI Houston vs. Brent Trade Month Average Price Option	WTI Houston vs. Brent Crude Oil Spread Option	819	HCB	25 th calendar day of the month prior to the contract month	one business day preceding the expiration of the front-month Brent Last Day Financial Futures

Trading and clearing of the Contracts shall be suspended until the changes become effective. Related amendments to NYMEX Rulebook Chapters 817 and 819 are provided in Exhibit A below in blackline format.

Please refer questions on this subject to:

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Exhibit A
NYMEX RULEBOOK

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

Chapter 817

WTI Houston vs. WTI Crude Oil Spread Trade Month Average Price Option

817100. SCOPE OF CHAPTER

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

817101. CONTRACT SPECIFICATIONS

~~The Floating Price shall be determined following the expiration of trading. A WTI Houston vs. WTI Trade Month Average Price put or call option contract is a European-style Average Price option cash-settled on expiration day.~~

The Option is a cash-settled European-style Option contract which cannot be exercised prior to expiration. A Call Option represents the cash difference of the settlement price of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Light Sweet Crude Oil Futures (CL) contract in the spread traded on the Exchange less the strike price multiplied by 1,000, or zero, whichever is greater. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Light Sweet Crude Oil Futures (CL) contract in the spread traded on the Exchange multiplied by 1,000, or zero, whichever is greater.

817102. OPTION CHARACTERISTICS

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

817102.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

817102.B. Trading Unit

A WTI Houston vs. WTI Crude Oil Spread Trade Month Average Price Option is a cash-settled option. ~~On expiration of a call option, the value will be the difference between the average daily settlement price during the Trade month period of the first nearby settlement price of the underlying WTI Houston vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On expiration of a put option, the difference between the average daily settlement price during the Trade Month period of the first nearby settlement price of the underlying WTI Houston vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On~~ expiration of a call option, the value will be the difference of the settlement price of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Light Sweet Crude Oil Futures (CL) contract in the spread traded on the Exchange less the strike price 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 front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Light Sweet Crude Oil Futures (CL) contract in the spread traded on the Exchange multiplied by 1,000, or zero, whichever is greater.

817102.C. Price Increments

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 \$0.001 per barrel, or \$1.00.

817102.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

817102.E. 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.

817102.E. Expiration of Trading

~~A WTI Houston vs. WTI Trade Month Average Price Option shall expire at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.~~ A WTI Houston vs. WTI Crude Oil Spread Option shall expire at the close of trading one business day immediately preceding the expiration of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread. The expiration date shall be announced prior to the listing of the option contract.

817102.F. Type of Option

The option is a European-style ~~Average Price~~ option which can be exercised on expiration day.

817103.

EXERCISE PRICES

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

Chapter 819

WTI Houston vs. Brent Crude Oil Spread Trade Month Average Price Option

819100.

SCOPE OF CHAPTER

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

819101.

CONTRACT SPECIFICATIONS

~~The Floating Price shall be determined following the expiration of trading. A WTI Houston vs. Brent Trade Month Average Price put or call option contract is a European-style Average Price option cash-settled on expiration day.~~

The Option is a cash-settled European-style Option contract which cannot be exercised prior to expiration. A Call Option represents the cash difference of the settlement price of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Brent Last Day Financial Futures (BZ) contract in the spread traded on the Exchange less the strike price multiplied by 1,000, or zero, whichever is greater. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the front-month WTI Houston Crude Oil Futures (HCL) contract in the spread less the settlement price of the front-month Brent Last Day Financial Futures (BZ) contract in the spread traded on the Exchange multiplied by 1,000, or zero, whichever is greater.

819102.

OPTION CHARACTERISTICS

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

819102.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

819102.B. Trading Unit

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