



Special Executive Report

DATE: February 6, 2020
SER#: 8531
SUBJECT: Amendments to Option Exercise and Termination of Trading Rules of Four (4) European Natural Gas Option Contracts

Effective Tuesday, February 25, 2020, for trade date Wednesday, February 26, 2020, and pending all relevant regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "the Exchange") will amend the option exercise and termination of trading rules (the "Rule Amendments") of four (4) European natural gas option contracts (the "Contracts") as noted in the table below.

Contract Title	CME Globex/ CME ClearPort Code	NYMEX Rulebook Chapter
Dutch TTF Natural Gas Calendar Month Option	TTO	1161
UK NBP Natural Gas Calendar Month Option	UKO	1163
Dutch TTF Natural Gas Futures-Style Margined Calendar Month Option	TFO	1162
UK NBP Natural Gas Futures-Style Margined Calendar Month Option	UFO	1164

Specifically, the Exchange is amending the timing of the termination of trading and the option exercise on the respective options' expiration day. The change in exercise timing will move the option expiry timing on option expiry day from 16:15 (all times London local time) to 13:00. Further, the Exchange will continue to enable automated exercise functionality to the Contracts. Market participants will continue to have the possibility to submit contrary instructions to their clearing firms. The close of the contrary instruction submission window will move from 17:30 to 14:00 to reflect the new option expiry timing. The option expiry day itself is unaffected by the aforementioned changes.

The Rule Amendments will be effective commencing with the April 2020 contract month and beyond. The April 2020 contract month shall expire on Friday, March 27, 2020. There is currently no open interest in the Contracts.

Appendix A below provides NYMEX rulebook chapter amendments in blackline format.

For additional information, please contact:

Business Line Management		
Adrian Callinan	adrian.callinan@cmegroup.com	+44 20 3379 3827
Research and Product Development		
Gregor Spilker	gregor.spilker@cmegroup.com	+1 212 299 2352

APPENDIX A
NYMEX Rulebook
(additions underlined; deletions ~~struck through~~)

Chapter 1161
Dutch TTF Natural Gas Calendar Month Option

1161101.

OPTION CHARACTERISTICS

1161101.E. Termination of Trading

Trading terminates on the fifth calendar day immediately preceding the first calendar day of the Contract Month, unless such day is not both a NYMEX business day and a London business day, in which case trading terminates on the first preceding NYMEX business day that is a London business day. However, if that day is also the last trading day of the underlying Futures contract, trading shall terminate on the first preceding NYMEX business day that is a London business day.

On the last trading day, trading terminates at ~~16:15~~13:00 hours London prevailing time.

The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects markets prices at the termination of trading of a contract. Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than ~~17:30~~14:00 London prevailing time on that day.

Chapter 1162
Dutch TTF Natural Gas Futures-Style Margined Calendar Month Option

1162101.

OPTION CHARACTERISTICS

1162101.E. Termination of Trading

Trading terminates on the fifth calendar day immediately preceding the first calendar day of the Contract Month, unless such day is not both a NYMEX business day and a London business day, in which case trading terminates on the first preceding NYMEX business day that is a London business day. However, if that day is also the last trading day of the underlying Futures contract, trading shall terminate on the first preceding NYMEX business day that is a London business day.

On the last trading day, trading terminates at ~~16:15~~13:00 hours London prevailing time.

The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects markets prices at the termination of trading of a contract. Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than ~~17:30~~14:00 London prevailing time on that day.

Chapter 1163
UK NBP Natural Gas Calendar Month Option

1163101.

OPTION CHARACTERISTICS

1163101.E. Termination of Trading

Trading terminates on the fifth calendar day immediately preceding the first calendar day of the Contract Month, unless such day is not both a NYMEX business day and a London business day, in which case trading terminates on the first preceding NYMEX business day that is a London business day. However, if that day is also the last trading day of the underlying Futures contract, trading shall terminate on the first preceding NYMEX business day that is a London business day.

On the last trading day, trading terminates at ~~16:15~~ 13:00 hours London prevailing time. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects markets prices at the termination of trading of a contract. Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than ~~17:30~~ 14:00 London prevailing time on that day.

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Chapter 1164

UK NBP Natural Gas Futures-Style Margined Calendar Month Option

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1164101. OPTION CHARACTERISTICS

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1164101.E. Termination of Trading

Trading terminates on the fifth calendar day immediately preceding the first calendar day of the Contract Month, unless such day is not both a NYMEX business day and a London business day, in which case trading terminates on the first preceding NYMEX business day that is a London business day. However, if that day is also the last trading day of the underlying Futures contract, trading shall terminate on the first preceding NYMEX business day that is a London business day.

On the last trading day, trading terminates at ~~16:15~~ 13:00 hours London prevailing time. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects markets prices at the termination of trading of a contract. Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than ~~17:30~~ 14:00 London prevailing time on that day.