



## Special Executive Report

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**DATE:** March 2, 2020  
**SER#:** 8552  
**SUBJECT:** Amendments to the Freight Route TD25 (Baltic) Futures Contract

Effective Sunday, March 22, 2020, for trade date Monday, March 23, 2020, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will implement amendments to the Freight Route TD25 (Baltic) Futures contract (Rulebook Chapter 676 and Commodity code AEB) to align the Contract with forthcoming changes to the route description as proposed by The Baltic Exchange effective on Sunday, March 22, 2020 for trade date Monday March 23, 2020 and commencing with the April 2020 contract month and beyond.

Specifically, following a market consultation conducted by The Baltic Exchange, effective March 23, 2020, The Baltic Exchange will change the delivery port for its TD25 Mediterranean Route from Houston-Trieste to Houston-Rotterdam. All other trading terms of the route will remain unchanged such as a volume of crude oil and the forward delivery period reflected by the index. The Baltic Exchange's notifications regarding this matter may be viewed [HERE](#) and [HERE](#). The Exchange will implement amendments to Rule 676101. ("Contract Specifications") of the Contract to align with the aforementioned amendments being implemented by The Baltic Exchange.

In addition, effective immediately, Monday March 2, 2020 and until the effective date of this initiative, the Exchange will suspend trading and clearing of the Contract. There is currently no open interest in the Contract. Also at this time, the Exchange will implement administrative amendments to Rule 676101. to further align language contained therein with other Baltic freight futures contracts (collectively, the "Rule Amendments"). The Rule Amendments are provided in Exhibit A in blackline format.

For additional information please contact:

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**EXHIBIT A**  
**NYMEX Rulebook**  
**Chapter 676**  
**Freight Route TD25 (Baltic) Futures**

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

**676100. 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.

**676101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TD25 Tanker Route (for 70,000 metric tons for US Gulf Coast to ~~Med~~ ARA) is published by the Baltic Exchange over the contract month, converted to a US dollar per metric ton valuation at the prevailing Worldscale rate as published by Worldscale Association. ~~If for any reason the Baltic Exchange cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.~~

**676102. TRADING SPECIFICATIONS**

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

**676102.A. Trading Schedule**

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

**676102.B. Trading Unit**

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

**676102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton.

**676102.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.

**676102.E. Settlement Period**

January to November Contract Months: The Settlement Period shall be the full calendar month.  
December Contract Month: The Settlement Period shall be the period from and including the 1st calendar day of the month through to, and including the 24th calendar day of the month.

**676102.F. Termination of Trading**

January to November Contract Months: Trading shall terminate on the last business day of the calendar month. December Contract Month: Trading shall terminate on the 24th calendar day of the month, or if this is not a business day, the first preceding business day.

**676103. 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.

**676104. DISCLAIMER**

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