



Special Executive Report

DATE: January 2, 2020

SER#: 8506

SUBJECT: **Administrative Amendments to the Henry Hub Natural Gas Financial Calendar Spread Option Contract**

Effective Sunday, January 26, 2020 for trade date Monday, January 27, 2020, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will implement administrative amendments to the Henry Hub Natural Gas Financial Calendar Spread Option contract (the "Contract"). The rule amendments, which are provided in Exhibit A below, are administrative in nature, reflect the current practice, and have no economic impact to the value of the Contract. In addition, the Exchange is implementing amendments to harmonize the rulebook chapter.

CME ClearPort Code	CME Globex Code	Contract Title	Rulebook Chapter
G10	G10	Henry Hub Natural Gas Financial Calendar Spread Option - 4 Month	399
G2	AG2	Henry Hub Natural Gas Financial Calendar Spread Option - 2 Month	399
G3	G3B	Henry Hub Natural Gas Financial Calendar Spread Option - 3 Month	399
G4	G4X	Henry Hub Natural Gas Financial Calendar Spread Option - 1 Month	399
G5	AG5	Henry Hub Natural Gas Financial Calendar Spread Option - 5 Month	399
G6	G6B	Henry Hub Natural Gas Financial Calendar Spread Option - 6 Month	399
G7	AG7	Henry Hub Natural Gas Financial Calendar Spread Option - 12 Month	399

Please refer questions on this subject to:

Adila Mchich
Jeff White

Adila.Mchich@cme.com
Jeff.White@cme.com

(212) 299-2270
(212) 299-2325

Exhibit A

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

Chapter 399

Henry Hub Natural Gas Financial Calendar Spread Option

399.01 EXPIRATION

A Henry Hub Natural Gas Financial Calendar Spread Option (the "Option") on the Exchange shall expire at the close of trading one business day immediately preceding the expiration of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread.

399.02 TRADING UNIT

The Option is a European-style Option contract which cannot be exercised prior to expiration. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange multiplied by 10,000, or zero, whichever is greater. A call option represents the cash difference of the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange less the strike price multiplied by 10,000, or zero, whichever is greater.

399.03 TRADING MONTHS

Trading in the Option contract shall be conducted in the months determined by the Exchange. Trading shall commence on the day prescribed by the Exchange.

399.04 EXCHANGE HOURS

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

399.05 STRIKE PRICES

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

399.06 PRICES

Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.001 (0.1 cent) per MMBtu. However, a cabinet trade may occur at a price of \$0.0001 per MMBtu, or \$1.00 a contract.

399.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in the Option contract shall not be subject to price fluctuation limitations.

399.08 TEMPORARY TRADING HALT

When a Triggering Event (as defined in Chapter 220) in Henry Hub Natural Gas futures occurs, trading in this option shall be subject to a coordinated Temporary Trading Halt (as defined in Chapter 220).

Chapter 399

Henry Hub Natural Gas Financial Calendar Spread Option

399100. 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. 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.

399101. OPTION CHARACTERISTICS

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

399101.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

399101.B. Trading Unit

The Henry Hub Natural Gas Financial Calendar Spread Option (the "Option") is a European-style Option contract which cannot be exercised prior to expiration. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the **first** expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the **second** expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange multiplied by 10,000, or zero, whichever is greater. A call option represents the cash difference of the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange less the strike price multiplied by 10,000, or zero, whichever is greater.

399101.C. Price Increments

Prices shall be quoted in dollars and cents per MMBtu and prices shall be in multiples of \$0.001 (0.1 cent) per MMBtu. However, a cabinet trade may occur at a price of \$0.0001 per MMBtu, or \$1.00 a contract.

399101.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.

399101.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.

399101.F. Termination of Trading

The Option shall expire at the close of trading one business day immediately preceding the expiration of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread.

399101.G. Type of Option

The Option is a European-style option cash settled on expiration day.

399102. EXERCISE PRICES

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