

Advisory Notice

Clearing House

09-183

TO: Clearing Member Firms
Back Office Managers

FROM: CME Clearing

SUBJECT: **Position Adjustment Deadlines for the June 2009 Metal and Energy Contracts - NYMEX Chapter 8, Rule 854 (formerly NYMEX Rule 9.04(P))**

DATE: May 1, 2009

Position adjustments for both NYMEX and COMEX Division metals contracts are prohibited commencing two business day prior to the first business day of the delivery month, and throughout the delivery month. Therefore, all position adjustments of concurrent futures positions for the **June 2009** metals contracts must be completed by the close of trade date **May 27, 2009**.

Additionally, position adjustments of concurrent futures positions for NYMEX energy contracts are not permitted during the last three trading days of the respective contracts. NYMEX Rule 854 is cited below.

If you have any questions concerning this matter, please contact Chris Reinhardt, Manager, Market Surveillance, at (212) 299-2884, or Anthony V. Densieski, Director, Market Surveillance, at (212) 299-2881.

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854. CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

A. Concurrent long and short positions in the same commodity and month may be held by a clearing member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the clearing member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing House.

B. Concurrent long and short positions in physically delivered contracts that are held by the same owner during the current delivery month must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. Such positions may not be offset via netting, transfer, or position adjustment except to correct a bona fide clerical or operational error on the day the error is identified and provided that the quantity of the offset does not represent more than one percent of the reported open interest in the affected futures contract month.

For the purposes of this rule, the current delivery month for energy futures contracts commences on the open of trading on the third business day prior to the termination of the respective futures contract, including the termination date. **The current delivery month for metals futures commences two business days prior to the first business day of the delivery month.**

C. Clearing members which, pursuant to this rule, carry concurrent long and short positions, must report to the Clearing House both sides as open positions. When either side or both sides are reduced in accordance with Section B. of this rule, the open positions as reported to the Clearing House must be reduced accordingly.

D. The Exchange takes no position regarding the internal bookkeeping procedures of its clearing members which, for the convenience of a customer, may "hold open" a position only on their books. However, the clearing member must accurately report to the Exchange and the Clearing House, as appropriate, large trader positions, long positions eligible for delivery and open interest.