



Special Executive Report

DATE: October 17, 2014

SER#: 7192

SUBJECT: Amendments to Contract Size for the Iron Ore 62% Fe, CFR North China (Platts) Futures and Iron Ore 62% Fe, CFR North China (Platts) Average Price Option Contracts

Effective Sunday, November 2, 2014 for trade date Monday, November 3, 2014, and pending all relevant CFTC regulatory review periods, the New York Mercantile Exchange, Inc. (NYMEX or Exchange) will amend the contract size for the Iron Ore 62% Fe, CFR North China (Platts) Futures (chapter 925, commodity code PIO) and Iron Ore 62% Fe, CFR North China (Platts) Average Price Option (chapter 645, commodity code: ICP) contracts from 1,000 dry metric tons to 500 dry metric tons. All open interest holders have consented to the amendments. The amount of contracts held by market participants prior to the effective date will be multiplied by two (2).

The contracts are available for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort.

Below are the trading and clearing fees as well as the revised rulebook chapters.

Trading and Clearing Fees:

Iron Ore 62% Fe, CFR China (Platts) Futures (PIO) and Iron Ore 62% Fe, CFR China (Platts) Average Price Options (ICP)

	Member Day	Member overnight	Cross Division	Non-Member
Pit	\$9.00	\$9.00	\$4.50	\$10.00
ClearPort		\$9.00		\$10.00
Agency Cross		\$8.00		\$9.00

	Member	Non-Member
Cash Settlement	\$1.00	\$1.00

Facilitation Desk Fee	\$0.20	
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Chapter 925
Iron Ore 62% Fe, CFR North China (Platts) Futures

925100. 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.

925101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the average price calculated for all available price assessments published for "Iron ore fines 62% Fe – CFR North China Port" for that given calendar month by Platts.

925102. TRADING SPECIFICATIONS

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

925102.A. Trading Schedule

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

925102.B. Trading Unit

The contract quantity shall be five hundred (500) dry metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

925102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per dry metric ton. The minimum price fluctuation shall be \$0.01 per dry metric ton. There shall be no maximum price fluctuation.

925102.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.

925102.E. Termination of Trading

Trading shall terminate on the last business day of the contract month. Business days are based on the Singapore Public Holiday calendar.

925103. FINAL SETTLEMENT

Final Settlement under the contract shall be by cash settlement. Final settlement, following termination of the trading for a contract month, will be based on the Average Daily Price for the delivery month. The final settlement price will be the Floating Price calculated for each contract month.

925104. DISCLAIMER

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Chapter 645

Iron Ore 62% Fe, CFR North China (Platts) Average Price Option

645100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Iron Ore 62% Fe, CFR North China (Platts) futures contracts. In addition to the rules of this chapter, transactions in options on Iron Ore 62% Fe, CFR North China (Platts) futures shall be subject to the general rules of the Exchange insofar as applicable.

645101. OPTION CHARACTERISTICS

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

645101.A. Trading Schedule

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

645101.B. Trading Unit

An Iron Ore 62% Fe, CFR North China (Platts) Average Price Option is a cash settled option. On expiration of a call option, the value will be the difference between the final settlement price of the contract month of the underlying Iron Ore 62% Fe, CFR North China (Platts) futures contract and the strike price multiplied by 500 tons, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the final settlement price of the contract month of the underlying Iron Ore 62% Fe, CFR North China (Platts) futures contract multiplied by 500 tons, or zero, whichever is greater.

645101.C. Price Increments

Prices shall be quoted in dollars and cents per dry metric ton. The minimum price increment will be \$0.01. A cabinet trade may occur at the price of \$0.002 per dry metric ton or \$1.00.

645101.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.

645101.E. Termination of Trading

The option contract shall expire on the last business day of the contract month. If the last business day of the contract month is a Singapore holiday, the last trade date shall be the business day immediately preceding the holiday. Business days are based on the Singapore Public Holiday calendar.

645101.F. Type Option

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

645102. EXERCISE PRICES

Trading shall be conducted for options with strike price increments as set forth below.

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for Iron Ore 62% Fe, CFR North China (Platts) futures contract in the corresponding contract month rounded off to the nearest fifty-cent increment strike price unless such settlement price is precisely midway between two (2) fifty-cent increment strike prices in which case it shall be rounded off to the lower fifty-cent increment strike price and (ii) the three (3) fifty-cent increment strike prices which are three (3) fifty-cent increments higher than the strike price described in subsection (A)(i) of this rule; and (iii) the three (3) fifty-cent increment strike prices which are three (3) fifty-cent increments lower than the strike price described in subsection (A)(i) of this rule.

(B) Thereafter, on any business day prior to the expiration of the option (i) new consecutive fifty-cent increment strike prices for both puts and calls will be added such that at all times there will be at least three (3) fifty-cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months.

(C) Notwithstanding, the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in the Iron Ore 62% Fe, CFR North China (Platts) Average Price Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of an Iron Ore 62% Fe, CFR North China (Platts) Average Price Option in which no new strike prices may be introduced.

645103.

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