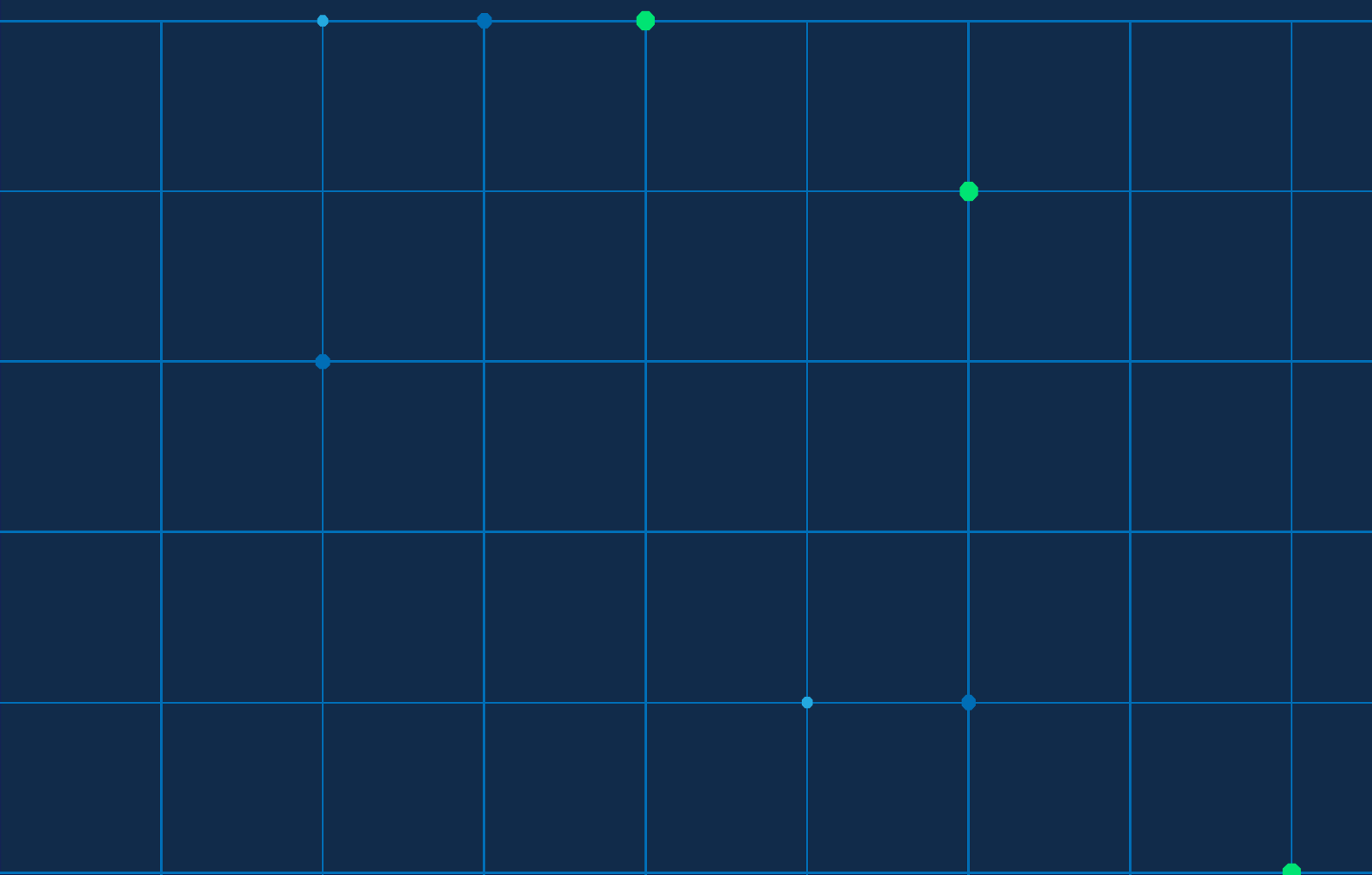


# CME Petroleum Index Oversight Committee

Oversight Committee meeting minutes

CME Group Benchmark Administration Limited

November 24<sup>th</sup>, 2022



## Attendees:

### Members:

Owain Johnson (OJ)	Present
Paul Wightman (PW)	Not Present
Nicolas Dupuis (ND)	Present
Verena Peternell (VP)	Present
Graham Stride (GS)	Present

### Observers & Guests:

Max Ruscher (MR)	Observer
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## **Agenda**

1. Introduction to the CME Petroleum Index Oversight Committee
2. Disclosure of any actual or perceived Conflict of Interest
3. Approval of previous Oversight Committee minutes
4. Oil Market Update
5. Administrator's Management Information report
6. Legal & Compliance update
7. Item for discussion at the next Oversight Committee

## 1. Introduction

The Chair stated that the meeting was quorate and could commence. The Chair asked participants to share any potential or perceived conflict of interest, not already stated. None were declared.

The Chair asked whether there were objections or comments on the previous meeting minutes. None were mentioned and the minutes were unanimously approved.

## 2. Administrator's Management Information report

The Chair asked that we move onto the Administrator's report. The Administrator took the Committee through the report stating with the Index trends since May 2022.

The Administrator moved onto the input data trends and noted that whilst WTI and RBOB were highly correlated over the period, there was a slight dislocation with NY HO settlements being higher over the last few months. A Committee Member ND commented that the correlation with NY HO was very low compared the historic norm, however the pattern was in line with the current market dynamics with the relative rise in heating oil prices.

The Administrator moved onto volume and open interest levels. These were fairly consistent throughout the period and sufficient to create a robust index. GS mentioned that is the open interest levels from October continued through the rest of Q4, no change to the weightings would be required. The Chair thanked The Administrator for the assessment.

The Administrator moved onto discuss the items to report, reviewing instances where validation checks triggered. The Administrator proposed a change to the methodology to impose a cut-off where if no data was received, the previous day's index level would be published. Committee members debated the proposal and voted against the inclusion of this clause, noting that the current methodology dealt with changes to settlement prices within 24 hours of publication.

The Administrator moved onto the next topic to discuss potential changes to the roll period for the contracts. The Administrator ran through the analysis, which had been also discussed with Energy Research. The Administrator presented charts on the pace of the roll for open interest and volumes. The Chair stated that he was supportive of the change and that it aligns with the Dated Brent benchmark. Committee Members approved the change to the roll period.

## 3. Items for discussion at next Oversight Committee

The Chair asked participants whether there were items to discuss at the next Committee; none were mentioned. The Chair mentioned that the content of the management information was good and asked that the pace of the roll analysis continue in future additions. The Chair thanked everyone and closed the meeting.