



## Special Executive Report

**DATE:** May 6, 2020

**SER#:** 8584

**SUBJECT:** **Administrative Amendments to the Contract Title of Three (3) Baltic LPG Freight Futures and Options Contracts**

Effective Sunday, May 31, 2020, for trade date Monday, June 1, 2020, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend the contract title of three (3) Baltic LPG freight futures and options contracts (the "Contracts") as more specifically described in the table below.

Rulebook Chapter	CME Globex and CME ClearPort Code	Current Contract Title	Amended Contract Title Effective June 1, 2020
679	FLP	Freight Route Liquid Petroleum Gas (Baltic) Futures	Freight Route Liquid Petroleum Gas <u>(BLPG1)</u> (Baltic) Futures
681	FLO	Freight Route Liquid Petroleum Gas (Baltic) Average Price Option	Freight Route Liquid Petroleum Gas <u>(BLPG1)</u> (Baltic) Average Price Option
877	FLB	Freight Route Liquid Petroleum Gas (Baltic) BALMO Futures	Freight Route Liquid Petroleum Gas <u>(BLPG1)</u> (Baltic) BALMO Futures

Specifically, the Exchange is adding "BLPG1" to the titles of the Contracts to align them with the currently revised naming convention utilized by the Baltic Exchange. The Baltic is making a change to the naming convention on May 26, 2020 and has issued a notice with the change<sup>1</sup>.

Appendix A below provides amendments to Chapters 679, 681 and 877 in blackline format.

The Commodity Futures Trading Commission ("CFTC") will be notified of these amendments during the week of June 8, 2020 via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

For additional information, please contact:

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<sup>1</sup> Baltic Exchange notice <https://www.balticexchange.com/news/market-announcements/article/circular-12-20-baltic-exchange-forward-assessments-lpg-bfa-lpg/4059/>

**Appendix A**  
**NYMEX Rulebook**  
(additions underscored)

**Chapter 679**  
**Freight Route Liquid Petroleum Gas (BLPG1) (Baltic) Futures**

\* \* \*

**679101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the LPG1 freight route (**BLPG1**) (i.e. Ras Tanura, Saudi Arabia to Chiba, Japan for cargoes of 44,000 metric tons, or as subsequently amended) published by the Baltic Exchange for each day that it is published during the Settlement Period.

**Chapter 681**  
**Freight Route Liquid Petroleum Gas (BLPG1) (Baltic) Average Price Option**

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**681101. OPTION CHARACTERISTICS**

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**681102.B. Trading Unit**

A Freight Route Liquid Petroleum Gas (**BLPG1**) (Baltic) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the Floating Price and the Strike price or zero, whichever is greater.

A Freight Route Liquid Petroleum Gas (**BLPG1**) (Baltic) Average Price Put Option traded on the Exchange represents the differential between the strike price and the final settlement price of the Floating Price or zero, whichever is greater. 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. The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the **BLPG1** Route (for 44,000 metric tons Ras Tanura to Chiba) is published by the Baltic Exchange during the contract settlement period, as described in paragraph 681102.C. of these rules.

[Remainder of Rule Unchanged.]

**Chapter 877**  
**Freight Route Liquid Petroleum Gas (BLPG1) (Baltic) BALMO Futures**

\* \* \*

**877101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate for the LPG1 freight route (**BLPG1**) (i.e. Ras Tanura, Saudi Arabia to Chiba, Japan for cargoes of 44,000 metric tons, or as subsequently amended) published by the Baltic Exchange for each day that it is published during the Settlement Period, starting from the selected start date through the end of the Settlement Period.