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Mercantile Exchange
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*We wouldn't
trade them
for anything.*

R. Patrick Thompson
President

COMMENT

July 24, 1998

Ms. Jean Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Cantor Fitzgerald Futures Exchange, Inc. Application for Designation as a Contract Market

Dear Ms. Webb:

The New York Mercantile Exchange ("NYMEX or Exchange") appreciates the opportunity to submit our comments regarding the application of the New York Cotton Exchange and the Cantor Financial Futures Exchange (collectively the "Applicants") as a contract market in various government securities futures contracts.

The Exchange believes that Cantor's application in its present form is deficient. Many of the points raised in the Chicago Board of Trade's letters of April 27, June 30 and July 16 and the American Stock Exchange letter of July 15 demonstrate that the application presents significant and novel issues with respect to contract market designation. It is essential that those issues be fully analyzed and vetted by the commission prior to approval. The U.S. Exchanges have long operated in a strict and closely supervised regulatory environment and it is essential that those rules and policies continue to be applied in a fair and evenhanded manner to all contract markets.

We wish to thank the Commission for this opportunity to provide our views on this matter and will be happy to provide further information as the Commission deems appropriate.

Sincerely,

R. Patrick Thompson

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One North End Avenue
World Financial Center
New York, NY 10282-1101
(212) 299-2260

The New York Mercantile Exchange is composed of two divisions. The NYMEX Division offers trading in crude oil, heating oil, unleaded gasoline, natural gas, electricity, propane, platinum, and palladium. The COMEX Division offers trading in gold, silver, copper, and the Eurotop 100® index.