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December 21, 2010

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Issuance of NYMEX & COMEX Market Regulation Advisory Notice
RA1101-4
NYMEX & COMEX Submission No. 10-391**

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission that they will issue NYMEX & COMEX Market Regulation Advisory Notice 1101-4 on January 5, 2011. The notice informs the marketplace that as of Sunday, January 23, for trade date Monday, January 24, the first two active months and the associated intra-commodity calendar spread between the first two active months in Copper futures on CME Globex and the second active contract month and the associated intra-commodity calendar spread between the first two active months in Gold and Silver futures trading via open outcry and on CME Globex will become eligible for trading at settlement pursuant to NYMEX and COMEX Rule 524 ("Trading at Settlement ("TAS") and Matched Order ("MO") Transactions").

A copy of the Advisory Notice begins on the next page.

NYMEX & COMEX certify that the Advisory Notice complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

If you have any questions regarding the Advisory Notice, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or me at 312.466.7478. Please reference NYMEX & COMEX Submission No. 10-391 in any related correspondence.

Sincerely,

/s/ Tim Elliott
Director & Associate General Counsel

MARKET REGULATION ADVISORY NOTICE

Exchange	NYMEX & COMEX
Subject	Trading at Settlement ("TAS") and Matched Order ("MO") Transactions
Rule References	Rule 524
Advisory Date	January 5, 2011
Advisory Number	NYMEX & COMEX RA1101-4
Effective Date	January 23, 2011

This Advisory Notice supersedes NYMEX & COMEX Market Regulation Advisory Notice RA1006-4 from October 22, 2010. It is being issued based on the additions to the list of products eligible for Trading at Settlement ("TAS") pursuant to Rule 524 ("Trading at Settlement ("TAS") and Matched Order ("MO") Transactions"). **Effective on Sunday, January 23, for trade date Monday, January 24**, the following products, contract months and calendar spreads will be added to the list of TAS-eligible contracts:

- The first two active months and the associated calendar spread between the first two active months in Copper futures (CME Globex only)
- The second active month and the associated calendar spread between the first two active months in Gold and Silver futures (CME Globex and Pit)

The text of Rule 524 appears on page 7 of this Advisory Notice

General Information on TAS and MO Transactions

TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price. MO transactions in pit-traded Copper futures will be priced at that day's settlement price for the contract.

All market participants are reminded that trading activity intended to unfairly affect or to attempt to unfairly affect a settlement price to benefit TAS positions, including TAS block positions, or MO positions may subject the member and/or the market participant to disciplinary action for any of a number of rule violations, including, but not limited to:

- price manipulation or attempted price manipulation
- wash trading
- conduct substantially detrimental to the interests or welfare of the exchange

Any Market Regulation Department investigation of suspected manipulative pricing involving TAS or MO trades will include review of such positions acquired by market participants and **whether the offset of those positions during the close was disruptive, collusive, and/or caused or attempted to cause aberrant price movement during the close.**

Entry of TAS Orders on CME Globex

On November 1, 2010, Rule 524 was amended to permit the initiation of TAS orders into CME Globex only subsequent to the beginning of each group's pre-open state and during the time period the

applicable contracts are available for TAS trading on CME Globex. The initiation of any TAS order on CME Globex outside of these time periods is strictly prohibited. The purpose of the amendment was to ensure appropriate and efficient messaging practices with respect to the initiation of TAS orders.

Market participants are reminded that they are prohibited from initiating the entry of any TAS order into CME Globex *prior to receipt* of the security status message sent via the FIX/FAST incremental feed identifying that the group has transitioned to the pre-open state.

Any market participant who initiates the entry of a TAS order prior to receipt of the market status message will be subject to disciplinary action by a panel of the Business Conduct Committee, notwithstanding that the order may have been rejected by the CME Globex system. Sanctions for noncompliance may include a fine, disgorgement of any profits realized as a result of any orders accepted by CME Globex which were initiated prior to receipt of the security status message and/or a suspension of access to the market. Market participants are strongly encouraged to ensure that they have appropriate protocols in place to ensure that TAS orders are not initiated prior to receipt of the security status message.

TAS Calendar Spreads

Intra-commodity calendar spreads in the nearby month/second month spread, the second month/third month spread and the nearby month/third month spread in Light Sweet Crude Oil, New York Harbor No. 2 Heating Oil, Henry Hub Natural Gas and RBOB Gasoline futures may be executed on CME Globex or on the trading floor and priced at TAS.

Effective on January 23, intra-commodity calendar spreads in the first two active months in Gold and Silver futures may be executed on CME Globex or on the trading floor and priced at TAS.

Effective on January 23, intra-commodity calendar spreads in the first two active months in Copper futures may be executed on CME Globex and priced at TAS.

The pricing of the legs of a TAS calendar spread will be calculated as follows:

- The nearby leg of the spread will always be priced at the settlement price determined by the Exchange for that contract month.
- The far leg of the spread will be priced at the settlement price determined by the Exchange for that contract **minus** the allowable TAS price increment traded (negative 10 through positive 10), except in circumstances where the traded TAS price is the actual settlement price of the contract.

Example 1:

A May 2010/June 2010 (K/M) Light Sweet Crude Oil calendar spread trades at TAS -1. Assume the May contract settles at 82.17 and the June contract settles at 82.59.

The May leg will be priced at the May settlement price of 82.17. The June leg will be priced at 82.60, which is the June settlement price of 82.59 minus the TAS price increment of -1 (82.59 minus -.01 = 82.60).

Example 2:

A June 2010/July 2010 (M/N) New York Harbor No. 2 Heating Oil calendar spread trades at TAS +/- 0. Assume the June contract settles at 2.1408 and the July contract settles at 2.1572.

The June leg will be priced at the June settlement price of 2.1408. The July leg will be priced at 2.1572, which is the July settlement price.

Example 3:

A May 2010/July 2010 (K/N) Henry Hub Natural Gas calendar spread trades at TAS +3. Assume the May contract settles at 3.916 and the July contract settles at 4.101.

The May leg will be priced at the May settlement price of 3.916. The July leg will be priced at 4.098, which is the July settlement price of 4.101 minus the TAS price increment of +3 (4.101 minus +.003 = 4.098).

TAS on Gold, Silver and Copper Futures

Effective on January 23, on any given date TAS transactions will be allowed in the first two active contract months in Gold, Silver and Copper futures trading on CME Globex and in the first two active contract months in pit-traded Gold and Silver futures. TAS transactions are not allowed in any pit-traded Copper futures contract month.

In Gold futures, the active contract months are February, April, June, August and December. In Silver and Copper futures, the active contract months are March, May, July, September and December.

For purposes of determining the active contract months in Gold futures, the following applies:

- When the April contract becomes spot, the June and August contracts become the first two active TAS months.
- When the June contract becomes spot, the August and December contracts become the first two active TAS months.
- When the August contract becomes spot, the December and February contracts become the first two active TAS months.
- When the December contract becomes spot, the February and April contract months become the first two active TAS months.

For purposes of determining the active contract months in Silver and Copper futures, the following applies:

- When the March contract becomes spot, the May and July contracts become the first two active TAS months.
- When the May contract becomes spot, the July and September contracts become the first two active TAS months.
- When the July contract becomes spot, the September and December contract months become the first two active TAS months.
- When the September contract becomes spot, the December and March contracts become the first two active TAS months.
- When the December contract becomes spot, the March and May contract months become the first two active TAS months.

MO Transactions in Pit-Traded Copper Futures

MO transactions in Copper futures are open outcry trades competitively executed in the Copper futures pit where the trade is priced at that day's settlement price for the contract. MO transactions in Copper

futures are eligible to be executed in the spot month and the next six consecutive contract months. Additionally, with the exception of the post close session, members may execute an MO order at any time the Copper futures pit is open for trading, provided that the order is placed as an MO order. Regular trading hours for open outcry trading in the Copper futures pit are from 8:10 a.m. until 1:00 p.m. Eastern Time ("ET").

Instructions to execute the order as an MO must be denoted on the order and members must identify an order executed as an MO on their trading record.

An order entered as an MO will be executed by the floor broker as a Market on Close order if the order is not previously executed as an MO or specifically designated to be executed only as an MO. An instruction to execute an order only as an MO must be communicated at the time the order is placed.

TAS-Eligible Products and Contract Months

Pit-Traded Contracts

Light Sweet Crude Oil

spot (except on the last trading day), 2nd, 3rd and 7th months
nearby/second month, second/third month and nearby/third month calendar spreads

Brent Crude Oil Last Day Financial

spot (except on the last trading day)

New York Harbor No. 2 Heating Oil

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

Henry Hub Natural Gas

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

Henry Hub Natural Gas Swap

spot (except on the last trading day), 2nd and 3rd months

RBOB Gasoline

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

European Gasoil (ICE)

spot (except on the last trading day), 2nd and 3rd months

NYMEX Crude Oil Backwardation/Contango (B/C) Index

spot (except on the last trading day)

NYMEX Crude Oil MACI Index

spot (except on the last trading day)

COMEX Gold

February, April, June, August and December contract months (first two active months only)

COMEX Silver

March, May, July, September and December contract months (first two active months only)

CME Globex Contracts

The No-Activity Periods set forth below are provided solely for informational purposes. **Market participants are reminded that for compliance and enforcement purposes, the start of the pre-open period is defined by receipt of the security status message indicating that the group has transitioned to the pre-open state and the end of the trading session is defined by receipt of the security status message indicating that group is closed.**

Commodity

Code on

Name, Contract Months & CME Globex No-Activity Period

Cleared Product

CME Globex

CLT	Light Sweet Crude Oil spot (except on the last trading day), 2 nd , 3 rd and 7 th months and nearby/second month, second/third month and nearby/third month calendar spreads No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	CL
BZT	Brent Crude Oil Last Day Financial spot (except on the last trading day) No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	BZ
BBT	Brent Crude Oil Penultimate Financial Spot, 2 nd and 3 rd months No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	BB
HOT	New York Harbor No. 2. Heating Oil spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	HO
NGT	Henry Hub Natural Gas spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	NG
NNT	Henry Hub Natural Gas Swap spot (except on the last trading day), 2 nd and 3 rd months No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	NN

Commodity

Code on CME Globex	Name, Contract Months & CME Globex No-Activity Period	Cleared Product
RBT	RBOB Gasoline spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	RB
7FT	European Gasoil (ICE) spot (except on the last trading day), 2 nd and 3 rd months No-Activity Periods: 12:00 p.m. – 5:45 p.m. (ET) Monday – Thursday 12:00 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	7F
KTT	NYMEX Coffee spot (except on the last trading day) No-Activity Periods: 12:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 12:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	KT
CJT	NYMEX Cocoa spot (except on the last trading day) No-Activity Periods: 11:50 a.m. – 5:45 p.m. (ET) Monday – Thursday 11:50 a.m. (ET) Friday – 5:15 p.m. (ET) Sunday	CJ
TTT	NYMEX Cotton spot (except on the last trading day) No-Activity Periods: 2:15 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:15 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	TT
YOT	NYMEX No. 11 Sugar spot (except on the last trading day) No-Activity Periods: 12:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 12:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	YO
XCT	NYMEX Crude Oil MACI Index spot (except on the last trading day) No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	XC
RET	REBCO spot (except on the last trading day), 2 nd and 3 rd months No-Activity Periods: 2:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 2:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	RE
GCT	COMEX Gold February, April, June, August and December contract months (first two active months only) No-Activity Periods: 1:30 p.m. – 5:45 p.m. (ET) Monday – Thursday 1:30 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	GC

Code on CME Globex	Commodity Name, Contract Months & CME Globex No-Activity Period	Cleared Product
SIT	COMEX Silver March, May, July, September and December contract months (first two active months only) No-Activity Periods: 1:25 p.m. – 5:45 p.m. (ET) Monday - Thursday 1:25 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	SI
HGT	COMEX Copper March, May, July, September and December contract months (first two active months only) No-Activity Periods: 1:00 p.m. – 5:45 p.m. (ET) Monday – Thursday 1:00 p.m. (ET) Friday – 5:15 p.m. (ET) Sunday	HG

Questions regarding this Advisory Notice may be directed to the following individuals in Market Regulation:

Nancy Minett, Director, Investigations, 212.299.2940

Russell Cloughen, Associate Director, Investigations, 212.299.2880

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

Text of Rule 524

Trading at Settlement (“TAS”) and Matched Order (“MO”) Transactions

The Exchange shall determine the commodities, contract months and time periods during which TAS and MO transactions shall be permitted.

524.A. Trading at Settlement (“TAS”) Transactions

The following shall govern TAS transactions:

1. TAS transactions executed in the pit must be made open and competitively pursuant to the requirements of Rule 521 during the hours designated for pit trading in the particular contract and must be identified as such on the member's trading records.
2. TAS orders may be entered on Globex at any time the applicable contracts are available for TAS trading on Globex and during each TAS contract's prescribed pre-open time period. The initiation of any TAS order on Globex outside these time periods is prohibited.
3. TAS-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526 except that TAS block trades may not be executed on the last day of trading in an expiring contract.
4. TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price.

524.B. Matched Order (“MO”) Transactions

MO transactions are open outcry trades competitively executed pursuant to Rule 521 where the price of the trade is that day's settlement price for the contract.

The following shall govern MO transactions:

1. Members may execute an MO at any time during pit trading hours except during the post close session. Members may execute an order as an MO provided the order is placed as an MO and such

instructions are denoted on the order. An order entered as an MO will be executed during the closing period as a Market on Close order if not previously executed as an MO or specifically designated to be executed only as an MO. An order specifically designated for execution only as an MO must be designated as such at the time the order is placed.

2. Members must identify an order executed as an MO on their trading record.