

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 23-267

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/26/23 Filing Description: Increase of Spot Month Position Limits and the Single and All-Month Accountability Levels of the Gasoline Eurobob Non-Oxy NWE Barges (Argus) Future and Related Amendments to Aggregated Futures Contracts.

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

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|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
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| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

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|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

July 26, 2023

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Increase of Spot Month Position Limit and the Single and All-Month Accountability Levels of the Gasoline Eurobob Non-Oxy NWE Barges (Argus) Futures Contract and Related Amendments to Aggregated Futures Contracts.
NYMEX Submission No. 23-267**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) an increase of the spot month position limits of the Gasoline Eurobob Non-Oxy NWE Barges (Argus) Futures contract (the “Parent Contract”) and related amendments to the spot month position limits of five (5) related Argus futures contracts that aggregate into the Parent Contract (the “Child Contracts”) (collectively, the “Contracts”). In addition, the Single Month Accountability levels for the Contracts will be increased from 750 to 2,000 contracts and the All-Month Accountability levels for the Contracts will be increased from 1,000 to 2,500 contracts effective on August 10, 2023 and commencing with the August 2023 contract month and beyond (collectively, the “Rule Amendments”).

Table 1.

Contract Title	Rulebook Chapter	Commodity Code	Current Spot Month Position Limit	Increased Spot Month Position Limits
Parent Contract				
Gasoline Eurobob Non-Oxy NWE Barges (Argus) Futures	1027	GNO	450	<u>400</u>
Child Contracts				
Gasoline Eurobob Non-Oxy NWE Barges (Argus) BALMO Futures	1028	GNB	450	<u>400</u>
Gasoline Eurobob Non-Oxy NWE Barges (Argus) Crack Spread Futures	1029	GNS	450/7,000	<u>400/7,000</u>
Gasoline Eurobob Non-Oxy NWE Barges (Argus) vs Gasoline Eurobob Oxy NWE Barges (Argus) Futures	1031	GES	450/500	<u>400/500</u>

RBOB Gasoline vs Eurobob Non-Oxy NWE Barges (Argus) (349,860 gallons) Futures	1030	RGF	2,000/ 450	2,000/ 400
Singapore Gasoline 92 Unleaded (Platts) vs Gasoline Eurobob Non-Oxy NWE Barges (Argus) Futures	1032	SGF	1,000/ 450	1,000/ 400

The Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook is being amended to reflect the changes in the position limits for the Contracts (see Exhibit A: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under a separate cover.)

Exhibit B below provides an updated the cash market overview and analysis of deliverable supply for the Parent Contract.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Contract Not Readily Susceptible to Manipulation:** Due to the liquidity and robustness in the underlying physical market, the contract is not readily susceptible to manipulation.
- **Position Limitations or Accountability:** The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.
- **Availability of General Information:** Information regarding the Rule Amendments will be disseminated to the marketplace via a Market Surveillance Notice which will also be posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
Exhibit B: Cash Market Overview and Analysis of Deliverable Supply

Exhibit A

**NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")**

Position Limits, Position Accountability and Reportable Level Table

(attached under separate cover)

Exhibit B

Cash Market Overview and Analysis of Deliverable Supply

Data Sources:

Data provided by **Eurostat** was used as the basis of the analysis for Eurobob non-oxy gasoline and European naphtha. Eurostat is compiled by the statistical office of the European Union and aims to provide the EU with accurate statistics that enable comparisons between countries and regions. The statistical authorities in each individual member state are responsible for collecting the data. After verification and analysis, the individual authorities send the data to Eurostat who consolidate such data. In addition, Eurostat ensures that all parties are employing the same methodology in collecting and reporting data. The Exchange determined to use Eurostat data for sulphur content of gasoline in Northwest Europe because of the highly specialized statistical categories collected by Eurostat.

European Environment Agency is a governmental body in charge of environmental policy for Europe. The agency works closely with 33-member countries and gathers data and produces assessments on a wide range of topics related to the environment. They produce the European Fuels Quality Report on an annual basis which the Exchange has used as the basis of calculation for the E10 in this analysis.

Argus was founded in 1970 and is a privately held UK-registered company. It is owned by staff shareholders and global growth equity firm General Atlantic. Argus is a leading provider of data on prices and fundamentals, news, analysis, consultancy services and conferences for the global crude, oil products, LPG, natural gas, electricity, coal, emissions, bioenergy, fertilizer, petrochemical, metals, and transportation industries. Data provided by Argus are widely used for indexation of physical trade. Companies, governments, and international agencies use Argus information for analysis and planning purposes. Argus' assessment methodology for the Northwest European Eurobob non-oxy Gasoline market is available on the Argus website.

European Gasoline

Motor gasoline is a major road transport fuel and the ethanol content being blended into it is increasing, in part due to tightening European environmental regulations. Since 2009, some European countries have been introducing higher blends of ethanol into their gasoline supply. In Northwest Europe, majority of member states in the European Union have converted domestic supplies from a 5% (E5) to a 10% (E10) ethanol blend in finished gasoline.

The blendstock for E10 gasoline is non-oxygenated whereas the E5 market is an oxygenated market. In the case of E10, the ethanol is blended at the point of supply. The European market is a significant consumer of Gasoline, however significant volumes are exported to the United States and increasingly into West Africa as their economy continues to develop.

European Gasoline is priced in USD and cents per metric ton. The standardized conversion factor between barrels and metric tons is 8.33 barrels per ton. The Eurobob non-oxy is similar in quality to the U.S RBOB gasoline market as the ethanol content is the same as the makeup of the blendstock is broadly equivalent meaning that cargoes exported to the U.S can be blended to finished grade gasoline on arrival into the U.S.

The EU has stipulated that the share of renewables in road transport should reach 14% by 2030 and products like renewable ethanol (typically produced from biomass) could play a significant role in reaching the higher blending target. European figures for 2021 show that around 9% of renewables was used in road transport.

The northwest European market is comprised of domestic production and imports. The Exchange has defined northwest Europe as Belgium, France, Germany, and the Netherlands. Total production and import volumes over the 3-year period to February 2023 was around 3.5 million tons per month. A reduction of 50% has been applied to the France data to reflect northwest Europe with the remainder considered as the Mediterranean. **The data is shown in Appendix A.**

The split between E5 and E10 gasoline varies by country so the Exchange has relied on estimates by ePure, the renewable ethanol association.

The European Union collates data on the volume of E5 and E10 sold across the member states and the exchange has used this data for the period of 2019 to 2021, the latest period available. The data is shown in the tables below. The figures are gathered from each of the petrol retailer associations in each country and the data is based on a sample over a period of months to determine the approximate share of E5 and E10 gasoline of the total sales in each country.

Table 2: Volume of sales of E5 and E10 gasoline

Units: metric tons

Source: European Environmental Agency (Fuel Quality Monitoring in the EU report)

2021¹	E10	E5	Total Petrol	E10 share of gasoline sales
Belgium	1,551,387	422,133	1,973,520	79%
France	4,561,999	4,140,041	8,969,697	51%
Germany	2,825,933	12,761,880	16,514,582	17%
Netherlands	3,688,630	131,000	3,819,630	97%

2020²	E10	E5	Total Petrol	E10 share of gasoline sales
Belgium	1,266,992	353,923	1,620,915	78%
France	3,574,561	3,650,142	7,496,189	48%
Germany	2,256,274	13,124,861	16,259,058	14%
Netherlands	3,583,000	120,000	3,703,000	97%

2019³	E10	E5	Total Petrol	E10 share of gasoline sales
Belgium	1,538,546	392,496	1,931,042	80%
France	4,084,206	4,453,856	8,792,631	46%
Germany	2,464,388	14,668,534	17,965,914	14%
Netherlands	4,328,000	66,000	4,394,000	98%

Using the three-year average volumes in the table above, the Exchange has applied a reduction of 20% to Belgium, 85% to Germany, 50% to France and has not applied a reduction to the Dutch volumes shown in Appendix 1 below. The reduction has been applied to both the production and import volumes for each country.

¹ET-CM Report 2021

https://www.eionet.europa.eu/etcs/etc-cm/products/etc-cm-report-2023-01/@_@download/file/ETC%20Report%202023-01.pdf

² ETC-CM Report 2020 https://www.eionet.europa.eu/etcs/etc-cm/products/etc-cme-report-11-2021-fuel-quality-monitoring-in-the-eu-in-2020/@_@download/file/ETC_CME_Report_11-2021_final%20update%2020230509.pdf

³ ETC-CM Report 2019

https://www.eionet.europa.eu/etcs/etc-cme/products/etc-cme-reports/etc-cme-report-1-2021-fuel-quality-monitoring-in-the-eu-in-2019/@_@download/file/ETC-CME_EIONET_report_01_2021_2.pdf

Analysis of Deliverable Supply

Appendix C to part 38 of the Commission's regulations defines deliverable supply as "the quantity of the commodity meeting the contract's delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce."

Term supply contracts do exist but in a typical term agreement in the cash market there is a provision that allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply.

Eurobob Oxy Gasoline

To define the deliverable supply of **Eurobob non-oxy**, we have used production and imports of Gasoline for Belgium, France, Germany, and the Netherlands as the basis for deliverable supply. The same reduction has been applied for France, so the data has been halved to reflect Northwest European volumes only. The Exchange has used Eurostat monthly data and averaged the data over the three-year period month to date February 2023. Based on the data, production was 2.542 million metric tons per month and imports were 971,000 metric tons per month.

In addition, the Exchange has calculated the percentage of supply that best reflects E10 gasoline. To do this, the Exchange has based its analysis on data provided by the European Environment Agency which shows the total volume of E10 and E5 gasoline sold in each country. The data for the period 2019 to 2021 has been used for this purpose.

Using the National statistics, we have calculated that the size of the E10 retail market in Belgium, France, Germany, and the Netherlands. The Exchange has applied a reduction of 20% to Belgium, 85% to Germany, 50% to France but has not applied a reduction to the Dutch volumes given the large proportion of sales that reflect the E10 blendstock grade. The reductions have been applied to both the production and import volumes for each country.

The data in table 3 reflects the combined production and import volumes for gasoline including all relevant reductions to account for E10 gasoline. Using this data, the total import volumes into northwest Europe were estimated to be 1.712 million tons per month or 1,712 futures contract equivalents (based on a futures contract size of 1,000mt). The month-by-month breakdown for Production and Imports is shown in table 3 in **Appendix A**.

Given the higher volume of deliverable supply, the Exchange proposes to increase the spot month position limit for the Eurobob non-oxy gasoline (commodity code GNO) to 400 contracts which equates to 23.36% of the monthly deliverable supply and well below the maximum 25% threshold.

A month-by-month breakdown for Production, Imports, and the adjusted production plus imports" after all reductions have been applied is shown in **Appendix A**.

The Exchange will also amend the Single Month Accountability level and the all-month Accountability levels. The Single Month Accountability level will increase from 750 to 2,000 contracts and the All-Month Accountability Level will increase from 1,000 to 2,500 contracts.

Appendix A

Monthly production volumes of Gasoline in Northwest Europe

Source: Eurostat data (Transformation output from refineries)⁴

Units: Thousand metric tons per month

⁴ <https://ec.europa.eu/eurostat/web/main/data/database> (Environment and energy - Supply and Transformation of Oil and Petroleum Products (nrg_cb_cosm))

	Belgium	Germany	France	France (adjusted)*	Netherlands	Adjusted Production
Mar-20	300	1,576	596	298	297	2,471
Apr-20	250	1,269	385	193	262	1,974
May-20	288	1,507	372	186	265	2,246
Jun-20	238	1,603	566	283	251	2,375
Jul-20	253	1,704	684	342	308	2,607
Aug-20	233	1,759	688	344	325	2,661
Sep-20	224	1,627	808	404	355	2,609
Oct-20	219	1,854	837	419	400	2,891
Nov-20	228	1,648	707	354	362	2,591
Dec-20	240	1,594	584	292	337	2,463
Jan-21	256	1,637	609	305	333	2,530
Feb-21	238	1,290	474	237	325	2,089
Mar-21	253	1,340	569	285	360	2,237
Apr-21	284	1,535	545	273	352	2,443
May-21	293	1,605	609	305	340	2,543
Jun-21	258	1,517	595	298	351	2,424
Jul-21	296	1,651	688	344	361	2,652
Aug-21	279	1,773	707	354	355	2,760
Sep-21	217	1,624	592	296	320	2,457
Oct-21	278	1,784	641	321	467	2,850
Nov-21	279	1,684	650	325	385	2,674
Dec-21	314	1,718	620	310	396	2,738
Jan-22	270	1,659	672	336	264	2,528
Feb-22	239	1,529	530	265	256	2,289
Mar-22	240	1,666	460	230	361	2,496
Apr-22	260	1,700	528	264	418	2,643
May-22	256	1,692	610	305	383	2,636
Jun-22	299	1,768	676	338	258	2,663
Jul-22	284	1,807	749	375	286	2,752
Aug-22	299	1,714	791	396	347	2,755
Sep-22	253	1,718	634	317	379	2,667
Oct-22	223	1,734	332	166	218	2,341
Nov-22	178	1,706	632	316	268	2,468
Dec-22	235	1,760	738	369	305	2,669
Jan-23	278	1,706	781	391	396	2,770
Feb-23	283	1,480	640	320	481	2,564
3-year average	259	1,637	619	310	337	2,542

*Data for France is halved to exclude Mediterranean volumes

Monthly import volumes of Gasoline in Northwest Europe⁵

Source: Eurostat data

Units: Thousand metric tons per month

	Belgium	Germany	France	France (adjusted)*	Netherlands	Adjusted Imports
Mar-20	51	147	95	48	503	749
Apr-20	23	136	36	18	562	738
May-20	29	141	111	56	915	1,141
Jun-20	43	123	131	66	1,155	1,386
Jul-20	48	215	107	54	693	1,010
Aug-20	41	218	178	89	419	767
Sep-20	75	191	97	49	245	560
Oct-20	97	190	158	79	305	671
Nov-20	114	113	76	38	530	795
Dec-20	47	101	114	57	985	1,191
Jan-21	60	96	177	89	438	683
Feb-21	28	66	168	84	967	1,144
Mar-21	78	172	184	92	350	692
Apr-21	92	223	241	121	888	1,324
May-21	109	274	177	89	769	1,241
Jun-21	120	191	239	120	1,023	1,453
Jul-21	47	239	283	142	289	716
Aug-21	78	282	251	126	610	1,095
Sep-21	73	243	231	116	610	1,041
Oct-21	64	160	222	111	761	1,096
Nov-21	46	138	187	94	448	725
Dec-21	39	186	200	100	784	1,109
Jan-22	64	172	153	77	843	1,155
Feb-22	26	123	147	74	652	875
Mar-22	77	109	204	102	674	962
Apr-22	91	235	267	134	1,004	1,462
May-22	139	111	219	110	527	887
Jun-22	76	96	236	118	641	930
Jul-22	69	142	347	174	783	1,167
Aug-22	67	196	162	81	698	1,042
Sep-22	47	187	153	77	509	820
Oct-22	98	97	496	248	497	940
Nov-22	96	179	235	118	377	769

⁵ <https://ec.europa.eu/eurostat/web/main/data/database> (Trade by partner country, Imports, Imports of Oil and Petroleum Products by partner country (monthly data (nrg_ti_olm))

Dec-22	75	147	286	143	516	882
Jan-23	65	184	240	120	470	838
Feb-23	76	152	144	72	601	901
3-year average	68	166	193	97	640	971

*Data for France is halved to exclude Mediterranean volumes

The data shown in the table below reflects the reduction for France plus the associated reductions for E10 gasoline across each country. The data reflects the resulting production plus import volumes for E10 across northwest Europe.

Units: Thousand metric tons per month

	Belgium	Germany	France	France (adjusted)*	Netherlands	Adjusted production and imports*
Mar-20	281	258	346	173	800	1512
Apr-20	218	211	210	105	824	1358
May-20	254	247	242	121	1180	1802
Jun-20	225	259	348	174	1406	2064
Jul-20	241	288	396	198	1001	1728
Aug-20	219	297	434	217	744	1477
Sep-20	239	273	452	226	600	1338
Oct-20	252	307	498	249	705	1513
Nov-20	274	264	392	196	892	1626
Dec-20	230	254	350	175	1322	1981
Jan-21	253	260	394	197	771	1481
Feb-21	212	203	322	161	1292	1868
Mar-21	265	227	376	188	710	1390
Apr-21	301	264	394	197	1240	2002
May-21	322	282	394	197	1110	1911
Jun-21	302	256	418	209	1374	2141
Jul-21	274	284	486	243	650	1451
Aug-21	285	308	480	240	965	1798
Sep-21	232	280	412	206	929	1647
Oct-21	274	292	432	216	1228	2010
Nov-21	260	273	418	209	834	1576
Dec-21	282	286	410	205	1180	1953
Jan-22	267	275	412	206	1107	1855
Feb-22	212	248	338	169	909	1538
Mar-22	253	266	332	166	1035	1720
Apr-22	280	290	398	199	1422	2191

May-22	316	270	414	207	910	1703
Jun-22	300	280	456	228	898	1706
Jul-22	282	292	548	274	1069	1917
Aug-22	293	287	476	238	1044	1862
Sep-22	240	286	394	197	888	1611
Oct-22	257	275	414	207	715	1454
Nov-22	219	283	434	217	645	1364
Dec-22	248	286	512	256	822	1612
Jan-23	274	283	510	255	866	1678
Feb-23	287	245	392	196	1082	1810
3-year average	262	271	407	203	977	1712

*Data for France is halved to exclude Mediterranean volumes