

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-332

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/10/23 Filing Description: Increase of Spot Month Position Limit for Aluminum Futures and Option Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

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

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

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

Rule Numbers: See filing.

August 10, 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 of the Aluminum Futures and Option Contracts. COMEX Submission No. 23-332

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) an increase of the spot month position limit of the Aluminum Futures and Aluminum Option contracts as noted below (the “Contracts”) effective on August 25, 2023, and commencing with the October 2023 contract month and beyond.

(additions underscored; deletions ~~struck through~~)

Contract Title	Rule Chapter	Commodity Code	Reporting Level	Spot-Month Limit (In Net Futures Equivalents)	Single Month Accountability Level (In Net Futures Equivalents)	All Month Accountability Level (In Net Futures Equivalents)
Aluminum Futures	107	ALI	10	450 <u>200</u>	500	500
Aluminum Option	123	AX	10	450 <u>200</u>	500	500

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 COMEX Rulebook (the “Table”) will be amended to reflect the amended spot month position limits of the Contracts. Exhibit A reflects the amendments to the Table as of August 25, 2023, the effective date of this submission, and Exhibit B reflects the amendments to the Table effective on the close of business on September 28, 2023, the date that October 2023 becomes the lead contract month (collectively, the “Rule Amendments”). Exhibits A and B are provided in blackline format under separate cover.

Consistent with Core Principle 3 of the Commodity Exchange Act, Appendix C of Part 38, the Exchange based the definition of deliverable supply on existing registered and eligible inventories at its Exchange approved warehouses for Exchange delivery.

As of July 31, 2023, the aluminum inventory held at Exchange approved warehouses totaled 19,431 metric tons, the equivalent of 777 Aluminum futures contracts (contract size = 25 metric tons). Exchange practice is to set spot month position limits at a maximum level of 25% of deliverable supply over the most recent three-year period. Deliverable supply is calculated as the sum of total reported registered aluminum with

total reported eligible aluminum. Table 1. below shows the monthly average aluminum stocks in Exchange approved warehouses for the most recent three-year period in contract equivalents.

Inventory and Capacity of Exchange Approved Warehouses

Over the most recent three-year period, the monthly average registered aluminum was 637 futures equivalent contracts. The monthly average eligible aluminum was 584 futures equivalent contracts. Based on the foregoing, the Exchange estimates monthly deliverable supply for the Aluminum Futures (ALI) contract at approximately 1,221 futures equivalent contracts.

Table 1. Monthly Average Stock Levels at Exchange Approved Warehouses for Aluminum (in Contract Equivalents)

Month	Average of Registered (Contract Equivalent)	Average of Eligible (Contract Equivalent)	Average Inventory Total (Contract Equivalents)
Aug-20	903	870	1,773
Sep-20	917	972	1,889
Oct-20	1,103	871	1,974
Nov-20	1,355	489	1,844
Dec-20	1,362	496	1,858
Jan-21	1,334	488	1,822
Feb-21	1,339	437	1,777
Mar-21	1,068	482	1,549
Apr-21	938	318	1,256
May-21	910	330	1,240
Jun-21	784	414	1,198
Jul-21	847	522	1,369
Aug-21	1,064	563	1,628
Sep-21	783	786	1,568
Oct-21	643	917	1,560
Nov-21	459	935	1,394
Dec-21	322	903	1,224
Jan-22	308	855	1,163
Feb-22	239	788	1,026
Mar-22	245	705	950
Apr-22	488	615	1,103
May-22	456	548	1,004
Jun-22	401	505	906
Jul-22	382	555	937
Aug-22	382	568	950
Sep-22	382	469	851

Oct-22	382	401	784
Nov-22	382	368	750
Dec-22	418	343	762
Jan-23	411	306	716
Feb-23	299	387	686
Mar-23	351	588	939
Apr-23	174	904	1,078
May-23	343	521	864
Jun-23	268	499	768
Jul-23	488	293	781
3-year average	637	584	1,221

Source: CME Group

The proposed spot month position limit of 200 contracts represents 16.38% of the estimated monthly deliverable supply for the most recent three-year period. The proposed spot month position limit for the Aluminum Option contract would aggregate into Aluminum Futures for position limit purposes. The Exchange will continue to closely monitor the Contracts' deliverable supply.

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

Contracts Not Readily Subject to Manipulation: The Contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying physical markets.

Position Limitations or Accountability: The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission's guidance.

Availability of General Information: The Exchange will make publicly available the details of the spot month position limit decreases by publishing a Market Surveillance Notice ("MSN") to the market. The MSN will also be available on CME Group's website.

The Exchange certifies that the Rule Amendments comply with the Act and regulations thereunder. There were no opposing views to the Rule Amendments.

The Exchange certifies that this submission has been concurrently posted on the Exchange's 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 – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (effective August 25, 2023) (under separate cover)

Exhibit B – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (effective close of business September 28, 2023) (under separate cover)

Exhibit A

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective close of business August 25, 2023)

Exhibit B

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective close of business September 28, 2023)