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February 4, 2011

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

Re: Price Limits in NYMEX Cotton Futures
NYMEX Submission # 11-062

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission" or "CFTC") that it intends, with CFTC approval, to amend NYMEX Rule 932 specifying daily price limits for Cotton futures.

The Exchange submitted for approval on January 5, 2011 a proposal to implement daily price limits on NYMEX Cotton futures. The Commission approved implementation of daily price limit language consistent with the primary physically-delivered ICE-US daily price limit language on January 18, 2011. The daily price limits were implemented on January 31, 2011. Also on January 31, 2011, ICE-US submitted for approval to the Commission new language for price limits in the ICE-US market because the frequency of limit moves was adversely affecting that market's price discovery function. The Commission approved the ICE-US submission on February 2, 2011.

In order to maintain consistency between the primary ICE-US Cotton market and the cash-settled NYMEX Cotton market, the Exchange also needs to implement new daily price limit language in NYMEX Rule 932.

As with our January 5, 2011 submission, the Exchange proposes daily price limits for NYMEX Cotton futures that are consistent with ICE-US Cotton No. 2 futures. In the Commission's approval of the Exchange's January 5, 2011 submission, it was stated that the Exchange's proposal would "adopt price limits that are substantially identical to the ICE-US Cotton No. 2 futures contract." Since NYMEX Cotton futures receive the same daily settlement price as ICE-US Cotton futures, it is important that price limits in NYMEX Cotton futures are consistent with price limits in ICE-US Cotton.

Implementation is planned following Commission approval.

The Exchange certifies that these contract terms and conditions comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information, please contact Randy Shao at 312-648-3795 or via e-mail at Renyuan.Shao@cmegroup.com; Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com; or contact me at (212) 299-2200. Please reference our NYMEX Submission #11-062 in any related correspondence.

Sincerely,

/s/ Christopher K. Bowen
Managing Director, Chief Regulatory Counsel

Deletions [~~bracketed and struck through~~]; Additions **bolded** and underlined.

NYMEX Rulebook 932

932.05 Prices, Price Fluctuations, and Daily Price Limit

NYMEX Cotton Futures Contract bids and offers shall be quoted in increments of cents and hundredths of a cent per pound. The minimum price increment shall be one hundredth of a cent (\$.0001) per pound.

To maintain consistency with the primary physically-delivered Cotton futures contract, daily price limits will be consistent with the ICE-US Cotton futures market as detailed in the ICE-US Rulebook for Cotton No. 2 Futures and Options.

~~[A 3-cent per pound daily trading limit for all months, subject to expansion as noted below.~~

~~An expanded daily trading limit of 4 cents per pound for all months on the business day after any two of the first five listed futures contracts that are subject to limits (or the one remaining futures delivery month in a crop year) close at the 3-cent limit bid or limit offer in the primary market, provided that the limit reverts to 3 cents on the business day after no contract month in the primary market closes at the 4-cent expanded limit bid or offer.~~

~~An expanded daily trading limit of 5 cents per pound on the business day after any two of the first five listed futures contracts that are subject to limits (or the one remaining futures delivery month in a crop year) close at the 4-cent limit bid or limit offer in the primary market, provided that the limit reverts to 4 cents on the business day after no contract month in the primary market closes at the 5-cent expanded limit bid or offer.~~

~~-An additional expansion of the 3, 4 or 5-cent per pound daily price limit specified above by 1-cent per pound (to 4, 5 or 6 cents respectively) on any business day on which either of the two futures delivery months with the highest open interest in the primary market settles at a price of 84 cents per pound or higher.~~

~~For the purposes of this Daily Price Limit Rule, a crop year is defined as beginning with the October delivery month and ending with the July delivery month of the next calendar year.]~~