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VIA E-MAIL AND FEDERAL EXPRESS

June 19, 2012

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. SR-NYSEArca-2012-28 - Response to Comment

Dear Ms. Murphy:

This letter responds to the comment submitted to the Securities and Exchange Commission ("SEC" or "Commission") regarding the above-referenced rule filing, in which NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") proposes to list and trade Shares of the JPM XF Physical Copper Trust (the "Trust") pursuant to NYSE Arca Equities Rule 8.201. The SEC published notice of the rule filing (the "Notice") on April 16, 2012[1] and received one comment letter (the "Comment Letter") that opposed the listing and trading of the Shares.[2]

The Exchange believes that the arguments set forth in the Comment Letter in opposition to the listing and trading of the Shares are either based on incorrect information or insufficiently substantiated. First, contrary to assertions in the Comment Letter, the Trust will not invest in London Metals Exchange ("LME") warranted copper; moreover, the Exchange understands that it is unlikely that the Trust or its authorized participants ("APs") would take LME-warranted copper "off-warrant" in connection with the Trust's operations. Second, the number of Shares proposed to be registered by the Trust, as stated on the cover of the most recent amendment to its Registration Statement,[3] does not provide any meaningful indication of the expected size of the Trust or the amount of copper that the Trust will hold, but simply reflects the initial amount of securities to be registered with actual issuance determined by demand. Consequently, it would be inappropriate to assess the potential impact of the Trust

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1 See Securities Exchange Act Release No. 66816 (Apr. 16, 2012), 77 FR 23772 (Apr. 20, 2012) (SR-NYSEArca-2012-28).

2 See letter from Vandenberg & Feliu dated May 9, 2012.

3 Pre-Effective Amendment No. 5 to the Registration Statement of the Trust on Form S-1, filed with the SEC on July 12, 2011 (the "Registration Statement").

on the copper markets based on the total number of Shares proposed to be registered, as the Comment Letter suggests. Third, the Comment Letter's claim that the "sole purpose" of the Trust is "to remove from the market a physical metal in short supply" does not appear to be substantiated and does not account for numerous structural features of the Trust and the Shares that are intended to prevent fraudulent and manipulative practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and, in general, protect investors and the public interest. Finally, although the Trust will be the first U.S.-listed physical metal exchange-traded vehicle ("Physical Metal ETV") to hold a non-precious physical metal, it will not be the first Physical Metal ETV to hold a metal that is used primarily for industrial purposes, and the Exchange is not aware of empirical evidence that such vehicles have disrupted the markets for underlying metals or caused an increase in prices. For these reasons, the Exchange continues to believe that it is appropriate to list the Shares under the standards of the Securities Exchange Act of 1934, as amended (the "Act").

Each of the foregoing points is discussed below in greater detail.

I. The Trust's Physical Copper Holdings

The Comment Letter incorrectly suggests that the Trust will remove LME-warranted copper from the LME system. As both the Notice and the Registration Statement make clear, the Trust will only be permitted to hold copper that is not LME-warranted.[4] Thus, claims in the Comment Letter regarding the potential impact of the Trust on the physical copper market that are based on the assumptions that the physical copper market consists only of LME-warranted copper and the Trust will remove LME-warranted copper from the market are incorrect.

First, as the Registration Statement states, "LME-approved warehouses may hold copper that is not registered with the LME (i.e., not underlying the issuance of an LME Warrant)."[5] Moreover, "[a]n LME-approved warehouse can reside within the same location as a non-LME-approved warehouse."[6] The Exchange understands that the Sponsor currently anticipates that the Trust will be permitted to hold copper in both LME-approved warehouses and warehouses in LME-approved jurisdictions that are not part of the LME system.

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4 See Registration Statement at 30 ("[c]opper held by the Trust will not be registered with the LME (i.e., will not underlie the issuance of an LME Warrant) and can be stored by the Warehouse-keeper in both LME-approved and non-LME-approved warehouses"); Notice at 23778 ("[f]or the avoidance of doubt, the Trust will only hold physical copper, not LME warrants").

5 Registration Statement at 43.

6 Id.

However, the Exchange understands that none of the copper held by the Trust in any such warehouse locations will be LME-warranted.[7]

Second, the Sponsor has informed the Exchange that overall physical copper stocks – including stocks that are "immediately available for sale" – are substantially larger than the Comment Letter would suggest. The table below provided by the Sponsor breaks down registered and non-registered market stocks (as of May 2012) and annual consumption and production estimates (as of May 2012) in more detail.

Registered Copper Stocks, Total Market Stocks and
Global Annual Production Consumption Estimates in Metric Tons

LME Stocks*	SHFE Stocks*	Comex Stocks*	**Total Registered Stocks***	**Total Non-Registered| Stocks****	**Total Market Stocks****	2012 Estimated Annual Production**	2012 Estimated Annual Consumption**
230,675	147,044	59,752	**437,471**	**2,360,529**	**2,798,000**	20,259,000	20,437,000

* Source: Bloomberg (as of May 2012).
** Source: Brook Hunt (as of May 2012).

Although the Trust will only accept non-warranted copper, the Comment Letter states that the Trust will cause "huge quantities" of warranted copper to be removed from the LME system. The Comment Letter speculates that APs that wish to acquire Creation Units from the Trust will do so by acquiring LME-warranted copper and taking it "off-warrant" so that it can be deposited with the Trust in exchange for Shares. The Sponsor has informed the Exchange that the economics do not support the suggestion given the large supply of non-warranted physical copper and the cost and time that would be required in order to take LME warranted copper off warrant solely for the purposes of creating Shares of the Trust. Moreover, the argument does not account for the fact that Shares will be both purchased and sold, and redemptions of Creation Units will return copper to the physical markets.

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7 The Sponsor has informed NYSE Arca that it currently expects that the Trust will initially be permitted to hold copper located in Shanghai, which does not presently have any LME-approved warehouses, and copper may also initially be held in the Netherlands (Rotterdam), Singapore (Singapore), South Korea (Busan and Gwangyang) and the United States (Baltimore, Chicago and New Orleans). The Trust has been structured to permit warehouse locations to be added as the copper market evolves in order to reflect the performance of the overall global copper market thereby allowing the holding of copper in the locations with the highest liquidity and capacity.

II. Size of the Trust and Potential Copper Market Impact

The Trust's Registration Statement indicates that the Trust initially seeks to register 6,180,000 Shares. However, the Trust will not immediately issue that number of Shares, as would be the case in a traditional initial public offering. Instead, Shares will be issued only to the extent that there is investor demand for Shares and APs seek to fulfill such demand by ordering additional Creation Units from the Trust. As noted above, the Trust will also redeem Creation Units of Shares that are submitted by APs for redemption. This activity is identical to that of existing Physical Metal ETVs, which continuously create and redeem shares in response to AP demand. Like the other Physical Metal ETVs, the Trust will register significantly more Shares than it initially intends to sell. The issuance of new Creation Units to APs will not necessarily cause the Trust to increase in size, to the extent that such issuances are offset by redemptions of Creation Units by APs.

An affiliate of the Sponsor intends to serve as the AP that will acquire the initial Creation Units issued by the Trust. The Exchange understands that the Sponsor currently expects that the value of the initial Creation Units issued by the Trust will not exceed $75 million, which corresponds to approximately 10,185 metric tons, or approximately 407 lots of copper in the current cheapest-to-deliver location for the Trust as of June 6, 2012. For the reasons explained above, the initial creation order will not use copper that has been taken off-warrant for such purpose. Thus, the Comment Letter's claim that the Trust will result in the "immediate removal from the market of as much as 61,800 metric tons of such copper" is unsubstantiated.

In addition to the concern about the potential impact of the Trust on the copper markets, the Comment Letter also claims that the Trust "will have the effect of enticing investors seeking quick profits to participate in an artificially inflated market because the more that is invested in physical copper backed ETFs, the more such copper will be removed from the market . . . thus forcing prices even higher." The Comment Letter also asserts that, "as investor demand for [the Trust's Shares] wanes . . . the bubble will burst, leaving in its wake a glut of physical copper that the [Trust] will be forced to dump on the market," and causing a decline in prices that harms both the physical copper market and investors in the Shares.

The Exchange believes that these concerns are speculative and misplaced. Physical Metal ETVs, like traditional exchange-traded funds and other index- or asset-based ETVs, tend to increase in size when investors anticipate that the underlying assets will appreciate, and decrease in size when investors anticipate that the underlying assets will depreciate. The Trust is no different from such other vehicles in this regard. Moreover, because of the arbitrage mechanism that is common to all types of ETVs, the share prices of such vehicles generally follow, rather than drive, the price of the underlying asset.[8]

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[8] The arbitrage mechanism of the Trust is discussed extensively in the Notice and in the Registration Statement. See Notice at 23779-23780; Registration Statement at 60-61.

A wide variety of factors are capable of influencing both supply and demand for copper. Future prices of copper, and the underlying factors affecting future supply and demand for copper across all of the key sectors of the copper industry are unpredictable. These same factors will have an effect on the copper market including the futures market, the derivatives markets, the market for Shares, and related creation and redemption activity.

In theory, if extremely high investor demand for shares of an ETV caused it to grow very rapidly relative to the size of the market for the underlying asset, such demand could place upward pressure on prices of the underlying asset. However, given the anticipated size of the Trust relative to the size and depth of the physical copper markets, as discussed above, the Sponsor has informed the Exchange that it does not expect the Trust to cause a spike in copper prices. Conversely, redemptions of Shares would only be able to drive down the price of copper if the Trust were extremely large relative to the size of the physical copper markets and experienced massive redemptions over a very short period of time. While this is a theoretical possibility, the Comment Letter does not provide any evidence to support the assertions regarding the impact on the physical copper market, and, as such, they are merely speculation.

III. Purpose and Objective of the Trust

The Comment Letter asserts that the "sole purpose" of the Trust is "to remove from the market a physical metal in short supply." The Comment Letter, however, offers no basis for this statement or for other claims regarding the intent of the Sponsor and the Exchange in seeking to list and trade the Shares. The intent of the Sponsor and Exchange in seeking to list and trade the Shares is to create a competitive product that offers retail investors access to the copper market. In fact, numerous structural features of the Trust and the Shares are specifically intended to prevent fraudulent and manipulative practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and, in general, protect investors and the public interest, including the following:

- The Trust will permit APs to acquire Creation Units of Shares using copper in multiple global locations, which is intended to provide a larger, more liquid supply of copper than would be available if creations and redemptions were only permitted using copper held in a single location.

- The Trust offers complete transparency through its website, where all of the Trust's holdings as well as additional detailed data regarding the Trust's operations will be available.

- The Trust's process for selecting copper lots for various activities (such as satisfying redemption orders and calculating and paying expenses) is based on the Trust's Selection Protocol, which is consistent, transparent, non-discretionary, rules-based and fully disclosed to investors.

- Valuations of copper used by the Trust will be provided daily by a recognized, independent valuation agent.

Moreover, pursuant to NYSE Arca Equities Rules 8.201(g), 10.2(d), (e) and (f), as appropriate, the Exchange is able to obtain information regarding trading in the Shares and the underlying copper, copper futures contracts, options on copper futures, or any other copper derivative, through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders that they effect on any relevant market. In addition, the Exchange may obtain trading information via the Intermarket Surveillance Group ("ISG") from other exchanges that are members of the ISG, including the New York Mercantile Exchange, which COMEX is a division of. The Exchange also has entered into a comprehensive surveillance sharing agreement with LME that applies with respect to trading in copper.

IV. Other Physical Metal ETVs

Fourth, the Exchange notes that while the Trust will be the first U.S.-listed Physical Metal ETV to hold a non-precious physical metal, it will not be the first Physical Metal ETV to hold a metal that is used primarily for industrial purposes as the Comment Letter suggests. The Exchange notes that platinum and palladium are used for industrial purposes, and that ETVs that include these metals as a significant component have been listed on the Exchange since 2009.[9] The Exchange is not aware of empirical evidence that such vehicles have disrupted the markets for physical platinum and palladium or caused an increase in prices. The Comment Letter does not provide any evidence a copper-based Physical Metal ETV would have such effect either.

For these reasons, the Exchange continues to believe that listing and trading the Shares would be consistent with the requirements of the Act.

Very truly yours,

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9 See, e.g., Securities Exchange Act Release Nos. 61219 (Dec. 22, 2009), 74 FR 68886 (Dec. 29, 2009) (SR-NYSEArca-2009-95) (Order Granting Approval of Proposed Rule Change Relating to Listing and Trading Shares of the ETFS Platinum Trust); and 61220 (Dec. 22, 2009), 74 FR 68895 (Dec. 29, 2009) (SR-NYSEArca-2009-94) (Order Granting Approval of Proposed Rule Change Relating To Listing and Trading Shares of the ETFS Palladium Trust).