

COMEX Copper Futures (HG) and Copper Options (HX)



The Contract

COMEX Copper Futures and Copper Options contracts are designed to meet the needs of all facets of the North American copper industry as an important risk management tool and a rewarding opportunity for the investment community. It is fully integrated in the U.S. market and is the predominant benchmark throughout the value chain of the copper industry. These contracts are listed on the COMEX division of CME Group.

BENEFITS

- » Physically delivered monthly futures contract
- » True intraday price and spread transparency across the futures curve
- » Security through centralized clearing, guaranteed counterparty credit and segregation of customer funds through CME Clearing
- » Easily accessible electronic execution
- » Streamlined delivery process
- » Daily mark-to-market of positions

DELIVERY

Our Copper Futures contract (HG) offers the ability to deliver or take delivery of Grade 1 electrolytic copper cathode in a timely, transparent and efficient fashion at CME Group approved and regulated facilities located throughout the United States.

MARKET PARTICIPANTS

The contract is most relevant to North American copper market participants across the supply chain, including miners, producers, distributors, merchants, traders, end users and banks. Physically settled contracts are a preferred hedging tool by commercial users in the copper industry. Investors and liquidity providers may also use this contract as arbitrage opportunities or to manage price exposure.

EASE OF ACCESS

The Copper Futures contract is available to trade on CME Globex and via CME Direct, CME Group's free front end trading platform for accessing CME Group markets. CME Globex operates as a Central Limit Order Book, or CLOB. ALI will also be available for clearing on CME ClearPort for privately negotiated trades.

CME Globex

The CME Globex platform was the first, and remains among the fastest, global electronic trading systems for futures and options. Through its advanced functionality, high reliability and global connectivity, it is now the world's premier electronic marketplace for derivatives.

To learn more about CME Globex, visit

cmegroup.com/globex.

CME Direct

Delivered securely across the Internet, CME Direct is a highly configurable trading front end for CME Group markets that offers a complete suite of solutions across the trading lifecycle. To learn more about CME Direct, visit cmegroup.com/direct.

CME ClearPort

CME ClearPort is a comprehensive set of flexible clearing services for the over-the-counter (OTC) market. Launched in 2002 to provide centralized clearing services and mitigate risk in the energy marketplace, CME ClearPort today serves as a gateway for a diverse slate of asset class transactions submitted for clearing. With OTC clearing through CME ClearPort, you can continue to negotiate your own prices privately and conduct business off exchange – but you gain increased security and efficiency.

To register for clearing through CME ClearPort, you must establish an account with a COMEX Clearing Member and complete the Exchange User License Agreement (EULA) available at cmegroup.com/clearport.

Once you have received your username and password, contact your Clearing Member Firm and request that your clearing account be added to RAV (Risk Allocation Value) Manager. For more information about clearing member firms, please visit cmegroup.com/tools-information/clearing-firms.html.

INDEPENDENT SOFTWARE VENDOR (ISV) CODES

Product Name	CME Globex/ Clearport	Floor	Bloomberg	Reuters	TT	CQG	Fidessa	SunGard
Copper Futures	HG	–	HG1 Comdty	O#1HG:	HG	CPE	HG	HG
Copper Options	HX	HX	OP1 Comdty	O#HG+	HX	CPE	HX	HX

COPPER FUTURES CONTRACT SPECIFICATIONS

Contract Unit	25,000 pounds	
Price Quotation	U.S. cents per pound (Prices are disseminated in U.S. dollars and cents)	
Trading Hours All trading hours shown in Central Time (CT)	CME Globex CME ClearPort	Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with a 60-minute break each day beginning at 5:00 p.m. (4:00 p.m. CT)
Minimum Price Fluctuation	\$0.0005 per pound	
Product Code	HG	
Listed Contracts	The current calendar month, the next 23 calendar months, and any March, May, July, September, and December falling within a 60-month period beginning with the current month	
Settlement Method	Deliverable	
Termination of Trading	Third last business day of the contract month	
Settlement Procedures	Copper Futures Settlement Procedures	
Position Limits	Visit cmegroup.com/nymex-position-limits for detailed NYMEX Position Limits	
Exchange Rulebook	COMEX 111 This contract is listed with, and subject to, the rules and regulation of COMEX	
Block Minimum	25 (for the non-spot nearby active month and second active month) 5 (for every other month)	
Delivery Procedure	Physical	
Delivery Period	Delivery may take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but not later than the last business day of the current delivery month	
Grade and Quality	The contract (basis) grade for the Grade 1 copper contract shall be Grade 1 Electrolytic Copper Cathodes (full plate or cut) and shall conform to the specifications (as to chemical and physical requirements) for Grade 1 Electrolytic Copper Cathode as adopted by the American Society for Testing and Materials (B115-00), or its latest revision.	

COPPER OPTIONS CONTRACT SPECIFICATIONS

Contract Unit	One COMEX Copper Futures contract	
Price Quotation	U.S. cents per pound (Prices are disseminated in U.S. dollars and cents)	
Trading Hours All trading hours shown in Eastern Time (ET)	CME Globex CME ClearPort	Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with a 60-minute break each day beginning at 5:00 p.m. (4:00 p.m. CT)
	Open Outcry	Monday – Friday 8:10 a.m. – 1:00 p.m. (7:10 a.m. – 12:00 p.m. CT)
Minimum Price Fluctuation	\$0.0005 per pound	
Product Code	Clearing and CME ClearPort: HX CME Globex: HXE	
Listed Contracts	Each of the nearest 22 futures contract months	
Termination of Trading	Expiration occurs four business days prior to the end of the month preceding the option contract month. If the expiration day falls on a Friday or immediately prior to an Exchange holiday, expiration will occur on the previous business day	
Position Limits	Visit cmegroup.com/nymex-position-limits for detailed NYMEX Position Limits	
Exchange Rulebook	COMEX 117 This contract is listed with, and subject to, the rules and regulation of COMEX	
Block Minimum	10 contracts	
Strike Prices	For the first three months, strike prices are at an interval of \$.01. An additional ten strike prices will be listed at \$.05 increments above and below the highest and lowest one-cent increment, respectively, beginning with the strike price evenly divisible by \$.05. For all other trading months, strike prices are at an interval of \$.05 if the underlying futures price is less than \$2.00 per pound. If the underlying futures price is greater than \$2.00 per pound, strike prices are at an interval of \$.05 for the 20 strike prices above and 20 strike prices below the at-the-money strike price. An additional 10 strike prices will be listed at \$.25 increments above the highest \$.05 increment and an additional ten strike prices will be listed at \$.25 increments below the lowest \$.05 increment, beginning with the first available strike that is evenly divisible by \$.25	
Exercise Style	American	

For more information about our copper contracts, please visit cmegroup.com/basemetals or contact metals@cmegroup.com

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All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and COMEX rules. Current rules should be consulted in all cases concerning contract specifications. Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience.