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## CME Group Expands OTC Agricultural Offering with New USD-Denominated Malaysian Palm Olein Calendar Swap

SINGAPORE and CHICAGO, Oct. 27, 2014 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced it has expanded its centrally cleared, over-the-counter (OTC) agricultural swap offering with the introduction of a new U.S. dollar (USD)-denominated Malaysian Palm Olein Calendar Swap. Pending CFTC review, the new USD Malaysian Palm Olein Calendar Swap will be available for clearing on [CME ClearPort](#) on 3 November 2014, and will be listed with and subject to the rules and regulations of CME.

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Settlement of the CME Group USD Malaysian Palm Olein Calendar Swap is based on prices from Thomson Reuters. Thomson Reuters produces a daily reference price for the palm oil complex.

"For end users currently trading the Port Klang/Pasir Gudang (PK/PG) paper olein market, this palm olein calendar swap now provides a new approach to mitigate the default risk element, which has been a concern for many industry participants over the years," said Nelson Low, Executive Director, Commodity Products, CME Group. "The palm oil refining industry can now use this swap to lock in their refining margin, especially in the far forward months where physical forward sales might not be secure."

"We see great expansion globally in the palm oil market, and are extremely pleased that CME Group has chosen our reference price as the underlying value for this palm olein calendar swap which improves the industry's ability to manage risk," said Kris Carlson, Global Head of Agriculture and Metals, Thomson Reuters.

In June 2013, CME Group launched the USD Malaysian Crude Palm Oil Calendar Swap, which is based on prices from Bursa Malaysia Derivatives' ("BMD") [Crude Palm Oil futures contract](#) ("FCPO"). Open interest for this USD Malaysian Crude Palm Oil Calendar Swap has crossed the 9,000 mark since launch, and as of mid-October 2014, more than 50,000 contracts have been cleared.

"The commodities boom in Asia has created an increased need for risk management, and together with our partners BMD and Thomson Reuters, CME Group is committed to continuously creating relevant risk management products to cater to this demand," said William Knottenbelt, Senior Managing Director, International, CME Group. "Since the launch of our USD Malaysian Crude Palm Oil Calendar Swap in June 2013, market participants have been able to access the swaps market through specialist inter-dealer brokers focused on the palm industry. CME Group's product class of swaps complements the existing palm futures and options contracts listed at BMD and available on CME Globex, in creating a complete suite of products for end users."

### About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex](#)® electronic trading platform and its trading facilities in New York and Chicago, and through its London-based CME Europe derivatives exchange. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#) and CME Clearing Europe, which offer clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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