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CME Group Announces Launch of U.S. Midwest Scrap (AMM) Futures

CHICAGO, Aug. 17, 2012 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today announced the launch of [U.S. Midwest #1 Busheling Ferrous Scrap \(AMM\) futures](#) to begin trading on September 10, subject to relevant regulatory approvals. This contract will be the first ferrous scrap futures contract available to U.S. steel industry participants, and will be listed by and subject to the rules of NYMEX.

"Today, the global steel industry relies on the U.S. to supply more than 20 percent of its ferrous scrap needs, making it the biggest exporter of this important raw material to the industry," said Harriet Hunnable, CME Group Managing Director, [Metals Products](#). "Continued demand for U.S. scrap and increased price volatility in ferrous products underscore the need for an effective tool to enable price risk management throughout the entire supply chain, from raw materials to finished steel products. In addition to being an efficient risk management tool for regional industry participants, we firmly believe our U.S. Midwest scrap futures contract has the potential to become a global benchmark for price discovery and managing volatile input prices."

The introduction of U.S. Midwest Scrap (AMM) futures extends CME Group's suite of ferrous products in the U.S. beyond its current [U.S. Midwest Domestic Hot-Rolled Coil Steel Futures and Options](#) at a time when more than 60 percent of the steel produced in the U.S. is based on scrap. This new risk management tool also will be an important addition to CME Group's broad range of metals derivatives products to help customers manage price volatility across the steel value chain through our [Virtual Steel Mill](#).

The contract will be financially settled against the [American Metal Market's \(AMM\)](#) new U.S. Midwest Ferrous Scrap Index and will be available for trading on [CME Globex](#) and for submission for clearing through [CME ClearPort](#) beginning with the October 2012 contract month.

This is the first CME Group product based on AMM's price assessment services following a June agreement between the two companies to develop risk management products for the steel industry based on market data from AMM.

For more information on CME Group's comprehensive suite of ferrous metals risk management products, please visit www.cmegroup.com/ferrous.

As the world's leading and most diverse derivatives marketplace, CME Group (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. CME Group also operates [CME Clearing](#), one of the world's leading central counterparty clearing providers, which offers 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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