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CME Group Announces First Trade of New USD-Denominated Palm Olein Swaps

SINGAPORE and CHICAGO, Nov. 9, 2014 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced the first USD Malaysian Palm Olein Calendar Swaps were cleared on 4 November 2014, through [CME ClearPort](#). The trade was between Just Oil & Grain Pte Ltd and another Singapore-based company, and was brokered by Starsupply (SG) Pte Ltd, part of the SCB Group.

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Based on prices from Thomson Reuters' daily reference price of the palm oil complex, the USD Malaysian Palm Olein Calendar Swap was introduced and made available for clearing on [CME ClearPort](#) on 3 November 2014, and fills a niche area for customers who are looking to gain from or hedge price exposure to Malaysian Palm Olein prices FOB Port Klang/Pasir Gudang.

"It is good to see the market responding positively to this exciting innovation in the palm olein market, which combined with the Thomson Reuters reference price will help the industry to manage its risk," said Kris Carlson, Global Head of Agriculture and Metals, Thomson Reuters.

"CME Group has been at the cutting edge in introducing innovative tools and instruments for trade and hedging across a wide array of market sectors," said Kevin McGeeney, CEO of SCB. "SCB has always been at the forefront of developing biofuel and agricultural products and is proud to broker the first deal in CME Group's new Palm Olein contract, which provides additional hedging capability to the rapidly growing palm oil market."

The introduction of the palm olein swaps have given market participants additional tools to manage counterparty risk in their underlying cash positions in palm olein, and clients value the ability of inter-dealer brokers to provide them a market to trade in," said Nelson Low, Executive Director, Commodity Products, CME Group. "We are pleased to see the first trade of these palm olein swaps based on the widely-followed Thomson Reuters price, and together with our partner Bursa Malaysia Derivatives we remain firmly committed towards building a complete suite of products for the palm oil industry.

In June 2013, CME Group launched the USD Malaysian Crude Palm Oil Calendar Swap, which is based on prices from Bursa Malaysia Derivatives' [Crude Palm Oil futures contract](#) (FCPO), giving market participants direct access to the swaps market through specialist inter-dealer brokers focused on the palm industry. Open interest for this USD Malaysian Crude Palm Oil Calendar Swap has crossed the 10,000 mark since launch, and as of end-October 2014, close to 52,000 contracts have been cleared.

With this new Palm Olein Swap, CME Group's product class of swaps complements the existing palm futures and options contracts listed on Bursa Malaysia Derivatives, and available on CME Globex, in creating a complete suite of products for end users in the palm industry.

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, 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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