CME Group Announces the Launch of New Options Contracts on Futures Strips for Natural Gas, Crude Oil, Electricity and Coal

CHICAGO, Oct 14, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- CME Group, the world's largest and most diverse derivatives marketplace, today announced the launch of trading and clearing services for seven new options contracts on underlying futures strips for natural gas, crude oil, electricity and coal. Trading will be available on the New York trading floor and clearing services will be available through CME ClearPort(R), a set of flexible clearing services open to over-the-counter (OTC) market participants to substantially mitigate counterparty risk and provide neutral settlement prices across asset classes, scheduled to begin on November 1 for trade date November 2. These contracts are listed with and subject to the rules and regulations of NYMEX.

The European style options contracts and commodity codes will be:

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--  Natural gas option on calendar futures strip (6J)
--  Natural gas option on summer futures strip (4D)
--  Natural gas option on winter futures strip (6I)
--  Crude oil option on calendar futures strip (6F)
--  Crude oil option on quarterly futures strip (6E)
--  PJM electricity option on calendar futures strip (6O)

--  Central Appalachian coal option on calendar futures strip (6M)
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The energy industry widely uses options on futures strips (also known as swaptions) that represent the right, but not the obligation, to exercise into a consecutive monthly strip of futures. Such options are economically efficient because producers and consumers of a given commodity can lock in the right to buy or sell futures on a given multi-period time horizon with a single premium for a single expiration date. This is in contrast to a strip of options that usually have the same exercise price but would have multiple expiration dates and different premiums for each month. The options on futures strips are generally less expensive than buying individual options for each month for the same strike price, but the options strips allow greater flexibility in whether or not to exercise over the course of the entire time period.

The first listed month for the calendar and quarterly futures strips will be January 2010; for the summer futures strip will be April 2010; and for the winter futures strip will be November 2010. Options on calendar futures for PJM, crude oil and natural gas will be listed for five consecutive years; options on calendar futures strips for coal will be listed for four consecutive years; crude oil options on quarterly futures strip will be listed for the nearest four consecutive quarters; and natural gas will have one summer and one winter strip.

The minimum price fluctuations will be $0.0001 per MMBtu for natural gas; $0.01 per barrel for crude oil; $0.01 per megawatt hour for PJM; and $0.01 per ton for coal. The contract sizes are: 30,000 MMBtus for natural gas calendar strips; 17,500 MMBtus for natural gas summer strips; 12,500 MMBtus for natural gas winter strips; 12,000 barrels for crude oil calendar strips; 3,000 barrels for crude oil quarterly strips; approximately 10,200 MMBtus for PJM calendar strips; and 18,600 tons for coal calendar strips.

For more information please visit *www.cmegroup.com/clearport*.

As the world's largest 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(R) electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates CME Clearing, one of the largest central counterparty clearing services in the world, which provides clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through CME ClearPort(R). These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

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