

CME Group Expands Its Suite of Industrial Metals Products With Three New Swap Futures Offerings

Ferrous Scrap, Steel Billet and European Hot Rolled Coil added to a growing list of global products

LONDON, April 5, 2011 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, has announced today that it is expanding its suite of over the counter products to meet the risk management needs of the global steel industry. On Sunday, April 17, for a trade date of April 18, three financially settled steel contracts — Heavy Melting Scrap (HMS) 80/20 Ferrous Scrap; CFR Turkey (Platts) Swap Futures; Steel Billet, FOB Black Sea (Platts) Swap Futures; and European Hot Rolled Coil, Ex-Works Ruhr Germany (Platts) Swap Futures — will be listed on [CME ClearPort](#) and the New York trading floor. These contracts are listed by and subject to the rules of NYMEX.

"We continue to expand our counterparty risk services for a number of new ferrous metal contracts in order to meet the risk management needs of our existing and potential clients in Europe, the Middle East and Asia," said Harriet Hunnable, Managing Director, [Metals](#) for CME Group. "By working closely with our customers this past year, we believe helping support their needs across the entire supply chain of products in the steel industry will allow them more flexibility in managing their risk exposure."

"This is another positive step in building the structure required for price risk management tools to serve the steel value chain," Francis Browne, Director [Platts](#) Metals Group. "We are particularly pleased that CME Group has chosen daily price discovery methodology to settle these contracts, confirming that steel markets trade and find value daily."

Details on the three new products include the following:

- [HMS 80/20 Ferrous Scrap](#), CFR Turkey (Platts) Swap Futures: These products are based on shipping terms to Turkey, including cost and freight (CFR). One contract equals 50 metric tons and is priced in US dollars. HMS ferrous scrap is recyclable material that can be re-melted into liquid steel. The material can then be cast into billets, which can be rolled into a range of finished products.
- [Steel Billet](#), FOB Black Sea (Platts) Swap Futures: These products are based on material loaded for export from Black Sea ports free on board (FOB). One contract equals 100 metric tons and is priced in US dollars. Billet is an intermediate long steel product which is processed, re-rolled, into downstream value added steel products of rebar, wire rod and other structural steels used primarily in the construction industry.
- [European Hot Rolled Coil](#), Ex-Works Ruhr Germany (Platts) Swap Futures: One contract equals 50 metric tons and is priced in euros. Hot rolled coil is a finished flat steel product used in a wide variety of industries including; automotive, chemical, oil and white goods industries.

These contracts help build on CME Group's existing suite of products, which include [US Midwest HR Steel](#) and [Iron Ore Swaps and Options](#).

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 provider in the world, which offers clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through [CME ClearPort](#)®. 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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