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Options on HRC to Begin Trading on Sunday

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Effective Sunday, December 11, 2011, for trades dated Monday, December 12, 2011 the NYMEX will list a U.S. Midwest Domestic Hot Rolled Coil Steel Average Price Option contract for trading on the NYMEX trading floor and for clearing through CME ClearPort. An option on a future is the right, but not the obligation, to buy or sell a specified number of underlying futures contracts at an agreed upon price on or before a given future date. HRC options will provide yet another tool to manage your HRC price risk. The addition of an option contract on HRC futures is further validation that steel futures are gaining traction and are here to stay.

HOT ROLLED FUTURES TRADING LIGHT THIS PAST WEEK

HRC futures prices on the CME continued to head higher this week increasing \$12 per ton for the first half of 2012. Volume was light this week as participants tried to weigh the impact of more mill price hikes this week and a firming scrap market. In the past 5 trading days only 700 tons (35 lots) of HRC changed hands on the CME.

Below is a table with yesterday's HRC futures settlement prices on the CME contract for each month through June 2012:

CME Contract Month	HRC Closing Price	Change from Last Week	CME Contract Month	HRC Closing Price	Change from Last Week
			January 2012	\$725	\$15
			February 2012	\$725	\$15
			March 2012	\$725	\$15
			April 2012	\$718	\$8
December 2011	\$675	\$20	May 2012	\$718	\$8
			June 2012	\$718	\$13
Average	\$675	\$20	Average	\$722	\$12

