

IRON ORE FUTURES AND OPTIONS

Why Trade Iron Ore at CME Group?



CME Group offers the most comprehensive metals offering that covers all your needs including our unparalleled precious metals liquidity and an expanded slate of base and ferrous metals solutions. Tap into our markets across the product suite, including Iron Ore Futures and Options, and begin benefitting from easy execution, reduced costs and reliable access around the clock. Additional value in our Iron Ore products can be found through:

- A global price established by international market participants
- Secure risk management for all market participants via central counterparty clearing
- Access to transparent, onscreen liquidity through cutting edge technology
- Nearly 24 hour electronic access to contracts sized 500 dry mt with minimum block trade size of 10 lots

Security in a highly regulated Market

Market Regulation works to protect market integrity, to enforce rules that protect all market participants, and to act proactively to mitigate risks in the marketplace.

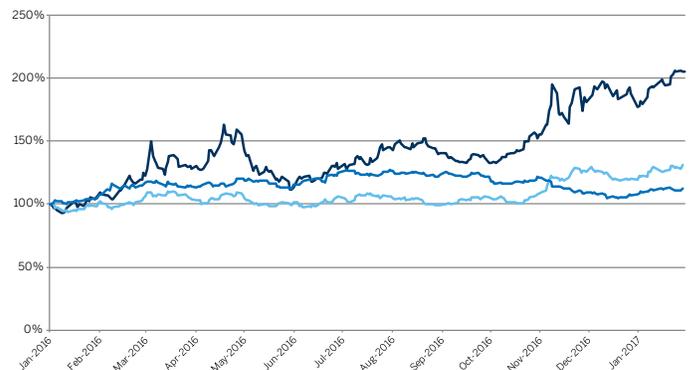
- Central counterparty clearing ensures the financial security of the marketplace and help clearing participants limit credit risk and achieve operational and financial efficiency.
- Privately negotiated block trades submitted for clearing via CME ClearPort, enhancing your secure access to liquidity in the OTC market.
- Spot month position limits prevent from any potential squeezes cmegroup.com/rulebook/files/position-limits-nymex.xlsx.

Transparency of the daily settlement mechanism

The daily settlement is based on market information that may include but is not limited to:

- Resting bids and asks on CME Globex with consideration given to trades executed on CME Globex throughout the day
- Price data obtained from a cross section of the OTC brokers collectively representing buyers and sellers as well as other OTC market participants
- Price data from other sources deemed reliable and accurate rather than leaving price discovery to a potentially smaller group

Iron Ore Futures' performance increased throughout 2016 when compared to Gold and Copper Futures.



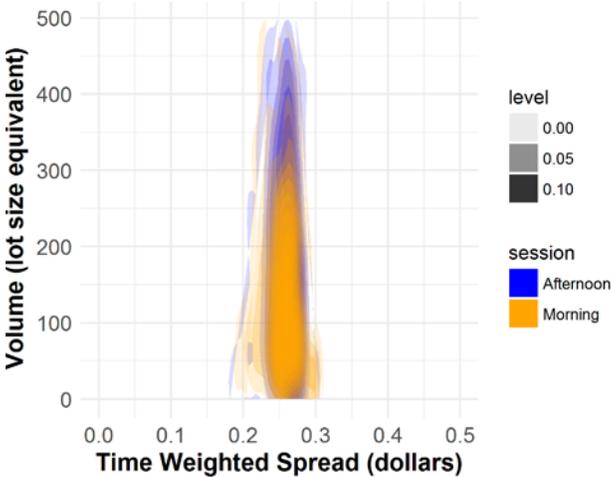
Increasing Liquidity in Iron Ore

Deeper Liquidity versus SGX

The heat map's depiction of a richer color concentration shows CME Group's contracts offer deeper liquidity than SGX's during Asian trading hours which provides traders with lower timing risk and more consistent transaction spreads.

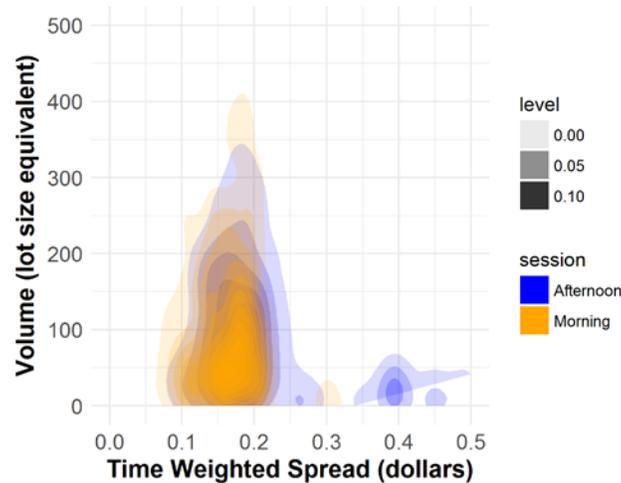
Iron Ore liquidity based on volume and bid/ask spread

CME Group Iron Ore Spread vs Size Up for Trade 2017-01-17 to 2017-01-31



Source: Bloomberg Professional - TIOG7 Comdty

SGX Iron Ore Spread vs Size Up for Trade 2017-01-17 to 2017-01-31

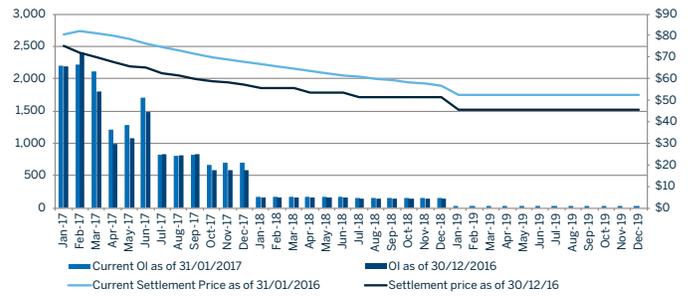


Source: Bloomberg Professional - SCOG7 Comdty

Looking out the Forward Curve

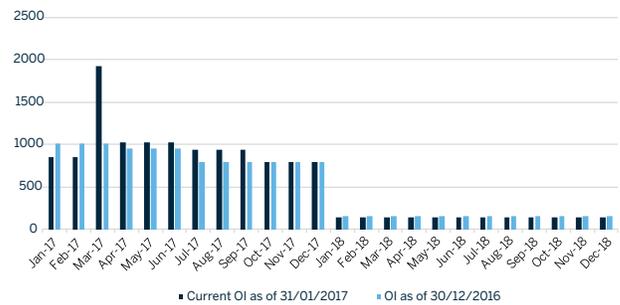
Futures Open Interest approaching 18,000 lots, equivalent to over 9 million dmt with open positions through December 2019.

Futures



Options open interest approaching 14,000 lots, equivalent to almost 7 million dmt with open positions through December 2018.

Options



Liquidity Around-the-Clock in the Global Market

Begin to benefit from increasing on screen liquidity almost 24 hours each day with accessibility from anywhere in the world. That includes dedicated market makers throughout the trading day to ensure continuous, two-sided markets. Our markets bring together a global, diverse client base from around the world.

Product	Term	Status	Qty	Bid	Offer	Qty	Last	Change	Time	Settle	Volume	Open Int...	
Iron Ore 62% CFR China (TSI) Future	Jan17	Open	10	79.20	79.50	10	79.64				2,232	×	
Iron Ore (TSI) Future	Feb17	Open	2	77.65	77.94	2	76.87	-1.12	14:19:...		76.87	7	2,471
Iron Ore (TSI) Future	Mar17	Open	10	75.95	76.25	10	77.19					1,984	
Iron Ore (TSI) Future	Apr17	Open	10	74.40	74.70	10	75.77	-1.37	14:19:...		75.77	6	1,129
Iron Ore (TSI) Future	May17	Open	10	72.70	73.25	10	74.27					1,204	
Iron Ore (TSI) Future	Jun17	Open	5	71.10	71.65	5	72.58					1,685	
Iron Ore (TSI) Future	Jul17	Open	5	69.60	70.15	5	70.98					811	
Iron Ore (TSI) Future	Feb17/Mar17	Open	2	1.41	1.99	2	1.68						
Iron Ore (TSI) Future	Feb17/Apr17	Open	2	2.96	3.54	2	3.10						
Iron Ore (TSI) Future	Feb17/May17	Open	2	4.41	5.24	2	4.60						
Iron Ore (TSI) Future	Feb17/Jun17	Open	2	6.01	6.84	2	6.29						

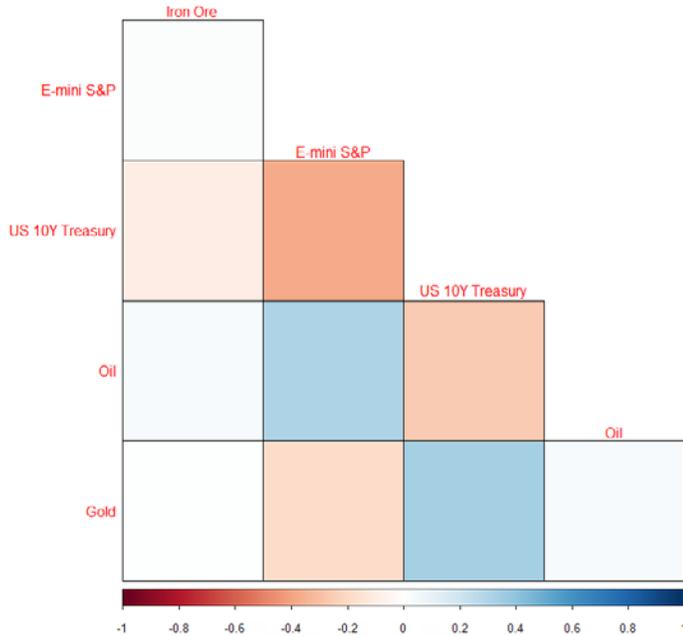
Screenshot taken during Asian trading hours at 2:00 PM Singapore time

Discover Cross-Product Correlations

A simple, yet powerful, way to visualize pairwise correlations of Iron Ore products across other CME Group products with the Cross-Asset Correlation Tool. Identify the degree to which two products are varying similarly over a period of time.

Correlation with Chinese GDP

12 Month Rolling Correlations Chinese GDP vs Iron Ore Price Jan 2014 – Dec 2016



Source: Bloomberg Professional – TIO1 Comdty, ES1 Index, TY1 Comdty, CL1 Comdty, GC1 Comdty

How you can benefit from trading Iron Ore Futures and Options

Visibility and anonymity of the trade flow

Market participants have unprecedented visibility of the trade flow while maintaining anonymity of all participating parties. All Iron Ore products are available for trading electronically via:

- CME Globex – our global electronic trading system for futures and options
- CME ClearPort – for clearing block trades through a comprehensive set of flexible clearing services for the OTC market
- CME Direct – a highly-configurable trading front end for CME Group markets that offers a complete suite of solutions across the trading life cycle

Cross Margin Benefits

CME Group offers margin offsets up to 55% against key products. The initial margin on an Iron Ore contract could be partially offset if a client has the opposite position in another commodity contract cleared through the same FCM at CME Group.

Exchange	Spread Products	Credit
NYM	PIO - Iron Ore 62% (Platts) futures	55%
CMX	HG - COMEX Copper futures	45%
CMX	ALI - Aluminum futures	35%
CMX	A38 - Aluminum A-380 Alloy Platts futures	30%
NYM	PA - Palladium futures	25%
CMX	SI-COMEX 5000 oz Silver futures	25%
CMX	ZNC - Zinc futures	20%
CMX	ALA - Alumina FOB Australia (Platts) futures	20%
CMX	ALB - Alumina FOB Australia (Metal Bulletin) futures	20%

Rates as of February 3, 2017. For most up-to-date information visit www.cmegroup.com/margins.

For more information visit cmegroup.com/ironore or contact metals@cmegroup.com.



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Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases.