

# Palm Oil Calendar Futures and Options



New Crude Palm Oil and Palm Olein Calendar futures track the average prices for palm oil/olein. This allows producers, processors and end-users in an industry characterized by continuous production and processing, to more effectively manage the price risk they are exposed to on a daily basis.

Complementing the existing benchmark oilseed products available on CME Globex, including CBOT Soybean Oil and BMD Crude Palm Oil (FCPO), the addition of Palm Oil Calendar futures and options provides customers with enhanced hedging opportunities on a single hub.

## Key Features

- Access through existing FCM relationship
- U.S. dollar-denominated and cash-settled
- New spreading opportunities with benchmark CBOT Soybean Oil futures and options
- Reduced capital requirements due to cross-product margin efficiencies
- Financial integrity of CME Clearing

## Malaysian Crude Palm Oil Calendar Futures

Based on the global benchmark Bursa Malaysia Derivatives (BMD) Crude Palm Oil futures (FCPO), the Palm Oil Calendar futures contract complements the palm products offered by BMD on the CME Globex platform. It replicates the risk coverage of CME Group's popular Calendar Swaps, in a futures contract that can be accessed through an existing FCM relationship.

## Malaysian Crude Palm Olein Calendar Futures

Palm Olein Calendar futures provides exposure to a cash-settled palm olein market, an advantage for those who are unable to take physical delivery. The contract also offers an alternative to trading the physically-delivered FOB Port Klang/Pasir Gudang (PK/PG) paper olein market, while mitigating counterparty default risk. Palm oil refiners

can combine Palm Olein Calendar futures and Palm Oil Calendar futures to lock in a portion of their refining margin, particularly important in the far forward months when the management of counterparty risk exposure is so critical owing to the long time horizons involved.

## Average Price Options on Palm Oil Futures

With multiple strikes and maturities, options offer additional flexibility and precision, allowing market participants to better tailor their risk management strategies to their specific needs. Options can also be less margin-intensive than futures during periods of heightened volatility.

**USD-denominated Malaysian Crude Palm Oil Calendar Futures (CPO)**

<b>Ticker symbol</b>	CPO
<b>Contract Unit</b>	25 metric tons
<b>Underlying Instrument</b>	Bursa Malaysia Derivatives Berhad Crude Palm Oil Futures (FCPO)
<b>Price Quotation</b>	U.S. dollars and cents per metric ton
<b>Tick Size</b>	USD \$0.25 per metric ton (\$6.25 per contract)
<b>Daily Price Limits</b>	None - But Underlying BM CPO Futures Contract has a Limit of 10% Above and Below the Previous Settlement Price
<b>Contract Months</b>	Up to 60 consecutive months
<b>Last Trading Day</b>	Last business day of the contract month. However, should there be a Bursa Malaysia Derivatives Berhad business day during the contract month that follows the last CME Group business day of the contract month, then final settlement will be on the first CME Group business day of the month following the contract month.
<b>Settlement Procedure</b>	<p>All contracts open as of the termination of trading shall be cash settled.</p> <p>Daily settlement other than settlement on the final settlement day or during the last month of trading shall be the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third-forward month from the contract month converted to USD using USD/MYR forward rates and rounded to the nearest \$0.25. Daily settlement prices shall be generated each business day the CME is open using the most recent available Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates.</p> <p>The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD using the Kuala Lumpur USD/MYR Reference Rate published daily at 3:30 p.m. and rounded to the nearest \$0.25. The Kuala Lumpur USD/MYR Reference Rate is computed based on the weighted average volume of the interbank USD/MYR FX spot rate transacted by the domestic financial institutions between 8:00 a.m. to 3:00 p.m. and is available on the Thomson Reuters MYRFIX02 page.</p>
<b>Trading Hours (CT)</b>	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time
<b>Rulebook Chapter</b>	CME Rulebook Chapter 204

**USD-denominated Malaysian Palm Olein Calendar Futures (OPF)**

<b>Ticker symbol</b>	OPF
<b>Contract Unit</b>	25 metric tons
<b>Underlying Instrument</b>	Thomson Reuters Malaysia RBD Palm Olein Daily Reference Price Assessment
<b>Price Quotation</b>	U.S. dollars and cents per metric ton
<b>Tick Size</b>	USD \$0.25 per metric ton (\$6.25 per contract)
<b>Daily Price Limits</b>	None
<b>Contract Months</b>	Up to 23 consecutive months
<b>Last Trading Day</b>	The final settlement day will be on the last business day of the contract month. However, should there be a Thomson Reuters Malaysia RBD Palm Olein assessment during the contract month that follows the last CME business day of the contract month, then final settlement will be on the first CME business day of the month following the contract month.
<b>Settlement Procedure</b>	<p>All contracts open as of the termination of trading shall be cash settled.</p> <p>Daily settlement other than settlement on the final settlement day or during the last month of trading shall be the price assessment of the Thomson Reuters Malaysia RBD Palm Olein third forward month from the CME contract month rounded to the nearest \$0.25.</p> <p>The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of each Thomson Reuters "Malaysia RBD Palm Olein" third forward month price assessment for each day of the contract month that prices are published, rounded to the nearest \$0.25.</p>
<b>Trading Hours (CT)</b>	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time
<b>Rulebook Chapter</b>	CME Rulebook Chapter 204C

## USD Malaysian Crude Palm Oil Average Price Option (POO)

<b>Ticker Symbol</b>	POO
<b>Contract Unit</b>	25 Metric Tons
<b>Price Reference</b>	Bursa Malaysia Crude Palm Oil Futures (FCPO)
<b>Price Quotation</b>	U.S. dollars and cents per metric ton
<b>Tick Size (minimum fluctuation)</b>	\$0.10
<b>Exercise Style</b>	European
<b>Strike Price Interval</b>	\$10.00
<b>Strike Price Range</b>	At-the-money, 10 In-the-money, and 10 Out-of-the-money
<b>Contract Months/Symbols</b>	Twelve Consecutive Monthly Expirations
<b>Daily Price Limit</b>	None
<b>Last Trading Day</b>	Last business day of the contract month. However, should there be a BMD business day during the contract month that follows the last CME business day of the contract month, then final settlement will be on the first CME business day of the month following the contract month.
<b>Settlement Procedure</b>	<p>All contracts open as of the termination of trading shall be cash settled.</p> <p>The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD using the Kuala Lumpur USD/MYR Reference Rate published daily at 3:30 p.m. and rounded to the nearest \$0.25. The Kuala Lumpur USD/MYR Reference Rate is computed based on the weighted average volume of the interbank USD/MYR FX spot rate transacted by the domestic financial institutions between 8:00 a.m. to 3:00 p.m. and is available on the Thomson Reuters MYRFIX02 page.</p> <p>The daily settlement shall be against broker quotes.</p>
<b>Trading Hours</b>	<p>CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time</p> <p>CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time</p>
<b>Block Trade Minimum</b>	10
<b>Rulebook Chapter</b>	CME Rulebook Chapter 204D

**For more information on our palm products, visit [cmegroup.com/palm](https://cmegroup.com/palm).**



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