



# Australian Dollar Wheat Swaps

## EXPOSURE TO U.S. SOFT RED WINTER AND HARD RED WINTER WHEAT FUTURES MARKETS WITH MITIGATED CURRENCY RISK

### Overview

The addition of the Australian Dollar (AUD) Wheat Swap contracts to the Agricultural swap complex offers two new centrally cleared over-the-counter (OTC) tools to the global wheat industry. Trades are submitted through CME ClearPort and cleared by CME Clearing, substantially mitigating counterparty risk for customers on both sides of the transaction.

Based on the Chicago Soft Red Winter (SRW) and KC Hard Red Winter (HRW) Wheat futures contracts, AUD Wheat Swap contracts facilitate hedging for Australian market participants currently using these global wheat benchmarks to manage risk. Because the contracts are denominated in AUD, they mitigate the need to manage the currency risk typically associated with the hedge.

The daily and final settlement prices are based on the settlement prices for the corresponding Chicago SRW Wheat or KC HRW Wheat futures contract. The futures prices are converted to AUD using the Thomson Reuter AUDF (daily settlement) and AUDH (final settlement) exchange rates, and then rounded to the nearest AUD\$0.001 price per metric ton.

AUD Wheat Swaps complement both the current listing of Wheat futures and options products, as well as the suite of centrally cleared grain swap contracts. Through the AUD Wheat swaps, in addition to the other centrally cleared Agricultural futures, options and swap contracts, CME Group is committed to providing innovative and secure risk management products and services to agricultural markets across the globe.

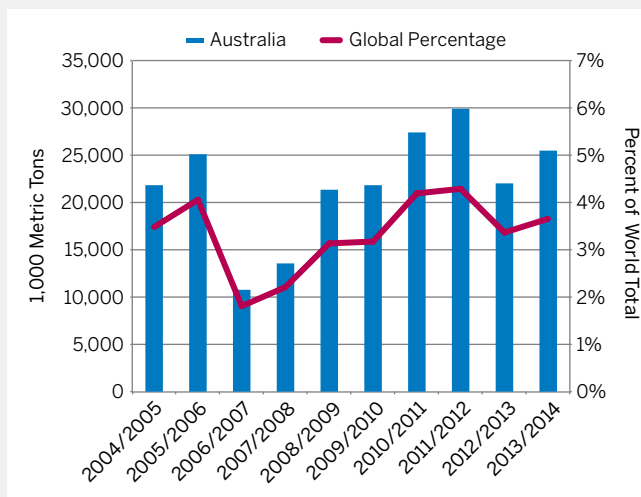
### Users

- Australian wheat producers and grain cooperatives
- Commercial grain firms
- International wheat trading and merchandising firms
- Bank swap desks
- Interdealer brokers
- Australian investors seeking exposure to the US Wheat market

### Benefits

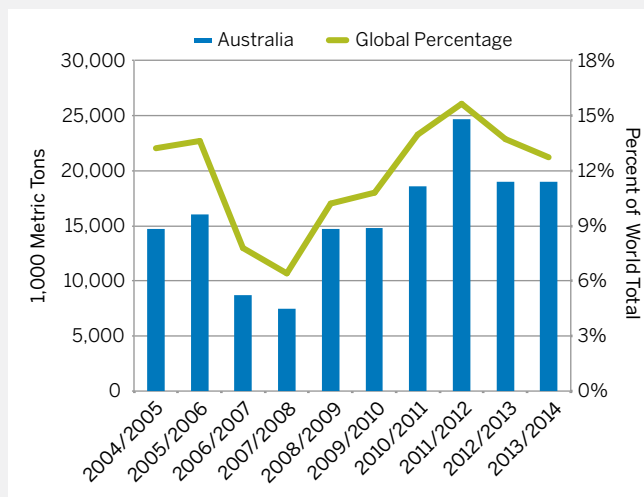
- Exposure to SRW and HRW Wheat markets
- AUD denomination mitigates currency risk
- Central clearing mitigates counterparty risk
- Accessibility of CME ClearPort

## Australian Wheat Production and Global Percentage



Source: United States Department of Agriculture – Foreign Agricultural Service

## Australian Wheat Exports and Global Percentage



Source: United States Department of Agriculture – Foreign Agricultural Service

## Contract Specifications

	AUD Chicago Soft Red Winter (SRW) Wheat Swaps	AUD KC Hard Red Winter (HRW) Wheat Swaps
<b>Underlying Instrument</b>	Chicago Soft Red Winter Wheat futures	KC Hard Red Winter Wheat futures
<b>Ticker Symbols</b>	CAW	KAW
<b>Contract Size</b>	27 metric tons	
<b>Pricing Unit</b>	Australian dollars and cents per metric ton	
<b>Tick Size</b>	AUD \$0.25 per metric ton (AUD \$6.75 per contract)	
<b>Contract Months</b>	34 consecutive months listed on the first business day in August	
<b>Last Clearing Day</b>	The last Friday, which precedes by at least two business days, the last business day of the month preceding the swap month	
<b>Settlement</b>	<p>Daily settlement shall be the settlement price for the corresponding Chicago SRW Wheat or KC HRW Wheat futures contract on that day converted to AUD using the midpoint between the bid/ask of the Thomson Reuters "AUDF" exchange rate equating to and interpolating between the closest date to contract expiration and next published after the close of the corresponding open outcry Wheat futures contract, and converted to price per metric ton.</p> <p>Final settlement takes place on the last day of clearing. All contracts open as of the termination of trading shall be cash settled. The final settlement price shall be the settlement prices for the corresponding Chicago SRW Wheat or KC HRW Wheat futures contract on the final settlement day of the AUD Wheat Swap converted to AUD using the midpoint between the bid/ask Thomson Reuters "AUDH" exchange rate next published after the close of the corresponding Wheat futures contract, and converted to price per metric ton.</p> <p>Both daily and final settlement shall be rounded to the nearest A\$0.001.</p>	
<b>Venue &amp; Hours for Clearing Entry</b>	CME ClearPort: Sunday 5:00 p.m. through 4:00 p.m. Friday, Chicago Time, with daily clearing halts from 4:00 p.m. to 5:00 p.m.	
<b>Exchange Rule</b>	These contracts are listed with and subject to the rules and regulations of CBOT	

For more information, visit [cmegroup.com/agswaps](http://cmegroup.com/agswaps).

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