

AGRICULTURAL PRODUCTS

U.S. Dollar Cash-Settled Crude Palm Oil Futures

Launching Trade Date May 24, 2010

Trade Crude Palm Oil in USD with the security of CME Group.

Overview

Palm Oil is currently the largest consumed edible oil in the world, with Malaysia and Indonesia being the top two producers. In 2009, palm oil accounted for 33 percent of world production and soybean oil accounted for 28 percent. Today's palm oil is primarily used as cooking oil but is also used to make soap, washing powders, personal care products and biodiesel. Bursa Malaysia Derivatives Berhad (BMDB) Crude Palm Oil Futures (FCPO), the global benchmark for crude palm oil, is traded in Malaysian Ringgit.

The newest member of the global edible oil product suite

Joining our already popular Soybean Oil futures and options contracts, Crude Palm Oil futures (CPO) will allow customers to trade the world's most consumed edible oil in a cash-settled, dollar-denominated contract with the safety and liquidity of CME Group. This gives participants more direct access to benchmark prices with virtually no foreign exchange risk and the added counterparty credit security of CME Clearing. Furthermore, due to strong price correlations, the contract opens new spreading opportunities with existing Soybean Oil futures. Please note: nearby CPO will reference the third forward FCPO month.

Benefits

- Crude Palm Oil futures are U.S. dollar denominated and cash-settled
- Exclusively traded on the world's leading trading platform, CME Globex – offering millisecond response time and unprecedented price transparency
- Financial integrity and security of CME Clearing

HISTORICAL PRICE RELATIONSHIP BETWEEN CBOT SOYBEAN OIL AND BURSA MALAYSIA CRUDE PALM OIL FUTURES 1995-PRESENT



Crude Palm Oil and Soybean Oil prices are strongly correlated – offering arbitrage opportunities between the two contracts. As both of these contracts are listed on CME Globex there is reduced capital requirement due to cross product margin efficiencies.

CONTRACT SPECIFICATIONS

U.S. DOLLAR CASH-SETTLED CRUDE PALM OIL FUTURES	
Ticker Symbol	CPO
Trading Unit	25 metric tons
Underlying Instrument	Bursa Malaysia Derivatives Berhad Crude Palm Oil Futures (FCPO)
Price Basis	U.S. dollars and cents per metric ton
Tick Size	USD \$0.25 per metric ton (\$6.25 per contract)
Daily Price Limits	There shall be no trading in U.S. Dollar Cash-Settled Crude Palm Oil futures at a price more than 10% above or below the previous day's settlement price, unless the FCPO contract is trading at expanded limits. If this were to be the case, the U.S. Dollar Cash-Settled Crude Palm Oil contract would trade at the expanded limits.
Contract Months	Monthly – referencing FCPO 2nd through the 5th consecutive forward months, skipping the spot and first forward month. Thereafter, alternate months up to 24 months. For the May 24 launch, Sep10, Oct10, Nov10, Jan11, Mar11, May11, Jul11, Sep11, Nov11, Jan12 and Mar12 contracts will be available for trading.
Last Trading Day	Noon on the 15th calendar day two months prior to becoming the delivery month. For example, the December 2010 contract would expire at noon Chicago time on October 15, 2010. If the 15th is a non-market day, the contract will settle on the preceding business day.
Daily Settlement Price	Same procedure as all other agricultural products outlined in Rule 813.
Cash Settlement Price	Final settlement will be cash settled based on the average price of the corresponding FCPO contract during the last five trading days “two months prior to becoming the delivery month”. The settlement price will be converted to USD and rounded to the nearest \$0.25 using the Malaysian ringgit (MYR) spot price as issued by the Association of Banks in Singapore at 11:00 a.m. Singapore Time.
Spec. Position Limits	500 contracts net long or net short for the spot month. 1,000 contracts for any single contract month except for the spot month. 1,000 contracts for all contract months combined.
Trading Hours (CT)	CME Globex: Sunday at 5:00 p.m. through Friday at 4:00 p.m. with daily trading halts from 4:00 p.m. – 5:00 p.m.

For more information, visit www.cmegroup.com/palmoil.

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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 references to options refer to options on futures.

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