

ALTERNATIVE INVESTMENT PRODUCTS

Ethanol Futures and Options

Offering a way to limit alternative fuel price risk in a highly volatile, growing market while building a more mature and efficient ethanol marketplace.

Overview

Ethanol futures and options offer a way for ethanol producers, ethanol marketers and gasoline refiners to limit alternative fuel price risk in a highly volatile, growing market faced with mounting regulatory and market pressures. Ethanol futures and options can help facilitate growth of the alternative fuel industry while also building a more mature and more efficient ethanol marketplace.

About Ethanol

Ethanol is an alternative fuel produced by fermenting and distilling starch crops that have been converted into simple sugars. It is most commonly used in reformulated gasoline (RFG) to increase octane and improve emissions quality. As a gasoline additive, it serves as an “oxygenate” which helps reduce vehicle emissions that cause smog.

Contracts

Ethanol futures and options trade electronically from 6:36 p.m. Central Time (CT) to 6:00 a.m. CT and 9:30 a.m. CT to 1:15 p.m. CT. Ethanol futures also trade on the CME Group trading floor during regular trading hours. Ethanol futures are physically delivered contracts that are available for trading in all calendar months, 24 months forward. Ethanol options can be exercised any day that the contract is available for trading and are also available for trading 24 months forward.

Benefits

- Flexible delivery process due to the shipping certificate delivery instrument
- CME Clearing provides world-class central counterparty clearing
- Arbitrage opportunities when spread against established commodity products, such as corn futures
- Risk management and price discovery tool for ethanol
- Convenient trading hours with global access to a first-class electronic platform
- Market makers provide liquidity with tight bid-offer spreads ensuring efficient deep markets

For more information on Ethanol futures and options, please visit www.cmegroup.com/ethanol.

ETHANOL FUTURES AND OPTIONS CONTRACT SPECIFICATIONS

	FUTURES	OPTIONS
Contract Size	29,000 U.S. gallons (approximately one rail car)	One futures contract
Deliverable Grades	Denatured Fuel Ethanol ASTM D4806 + California Standards	N/A
Minimum Price Fluctuation (Tick Size)	\$0.001 per gallon (\$29 per contract)	\$0.001 per gallon (\$29 per contract)
Maximum Price Fluctuation (Price Limits)	\$0.30 per gallon (\$8,700 per contract) above or below the previous day's settlement price. No limit in the spot month (limits are lifted beginning on first position day).	\$0.30 per gallon (\$8,700 per contract) above or below the previous day's settlement price. Limits are lifted on the last trading day.
Price Quotation	U.S. dollars and cents per gallon	U.S. dollars and cents per gallon
Trading Hours All times are listed in CT	Open Auction: 9:30 a.m. – 1:15 p.m. Electronic Platform: 6:36 p.m. – 6:00 a.m. and 9:30 a.m. – 1:15 p.m. Note: Expiring contract closes at noon on last trading day.	Electronic Platform: 6:36 p.m. – 6:00 a.m. and 9:30 a.m. – 1:15 p.m. Note: Expiring contract closes at noon on last trading day.
Contract Months	All calendar months	All calendar months
Last Trading Day	The third business day of the delivery month.	The last Friday preceding the first notice day of the corresponding ethanol futures contract month by at least two business days.
Last Delivery Day	The second business day following the last trading day of the delivery month.	N/A
Strike Price Increments	N/A	\$0.05 per gallon (i.e., 1.900, 1.950, 2.000, 2.050, 2.100 etc.)
Exercise	N/A	In-the-money options auto-exercise at expiration. Options may be exercised until 6:00 p.m. CT on any business day the option is traded.
Ticker Symbols	ZE for Electronic AC for Open Auction	Electronic only: OZEC for Calls OZEP for Puts

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CME GROUP HEADQUARTERS

20 South Wacker Drive
Chicago, Illinois 60606
cmegroup.com

CME GROUP GLOBAL OFFICES

Chicago
312 930 1000
info@cmegroup.com

Sydney
61 2 9231 7475
asiateam@cmegroup.com

Hong Kong
852 3101 7696
asiateam@cmegroup.com

Tokyo
81 3 5403 4828
asiateam@cmegroup.com

London
44 20 7796 7100
europe@cmegroup.com

Washington D.C.
312 930 1000
info@cmegroup.com

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