

ENERGY PRODUCTS

# Ethanol Product Suite



More Ethanol.  
More **OPPORTUNITY.**



In a world of increasing volatility, customers around the globe rely on CME Group as their premier source for managing risk across all major asset classes – offering futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. Built on the heritage of CME, CBOT and NYMEX, CME Group is the world's largest and most diverse derivatives exchange, encompassing the widest range of benchmark products available. CME Group brings buyers and sellers together on the CME Globex electronic trading platform and on trading floors in Chicago and New York. We provide you with the tools you need to meet your business objectives and achieve your financial goals. CME Clearing matches and settles all trades and guarantees the creditworthiness of every transaction that takes place in our markets.

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# THE **ETHANOL** DERIVATIVES MARKETPLACE

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NYMEX is now a part of CME Group – that means deeper liquidity and more opportunity to access the largest ethanol derivatives marketplace in the world.

## Harvest opportunity

Fuel grade ethanol is a major component of the gasoline market throughout the U.S. Ethanol use continues to grow and will become even more widespread with the new federal blending requirements.

Currently, ethanol is largely produced through fermenting starch or sugar-based feedstock. In the U.S., corn is the principal raw material; in Brazil, the world's leading ethanol exporter, sugar cane is widely used. Like the prices of other agricultural and energy commodities, the price of ethanol is influenced by factors beyond the control of the grower, producer or blender.

Derivatives help market participants gain more control over their ethanol investments. By adding the NYMEX Ethanol contracts to our existing suite of products, CME Group provides participants with even more opportunity to manage risk in the growing ethanol marketplace.



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## CME Group Ethanol Product Suite now includes

- Ethanol futures and options
- Ethanol cash-settled options
- Forward month swaps
- Swap futures for New York Harbor and Chicago
- Options on forward month swaps
- Basis swaps for New York Harbor, Los Angeles and Gulf Coast

## Benefits of trading CME Group Ethanol Products

- The flexibility of exchange-traded contracts with physical delivery or off-exchange contracts with cash settlement
- Counterparty credit risk virtually eliminated with centralized clearing
- Daily mark-to-market (twice daily for products traded on CME Globex)
- Price transparency and anonymity
- Electronic trading on CME Globex, the world's leading electronic trading platform
- The unparalleled flexibility of CME ClearPort for over-the-counter (OTC) transactions
- Through block trades, the ability to privately negotiate and execute a large transaction at a single price, available for CBOT futures and CBOT options.

For further details, visit [www.cmegroup.com/blocktrades](http://www.cmegroup.com/blocktrades).

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The CME Group suite of ethanol products includes both legacy NYMEX and legacy CBOT contracts. And in **January 2009**, we added the legacy CBOT ethanol forward month and basis swaps to CME ClearPort.

# LIQUIDITY. FLEXIBILITY. A **CLEAR** ADVANTAGE.

On CME Globex. On CME ClearPort. No matter your preferred venue, CME Group brings together a world of participants and provides them with the security of centralized clearing. With a broad base of trading partners, we offer the liquidity and volume you need to manage your ethanol risk. Further, when you trade CME Group Ethanol contracts, you are protected by the mitigation of counterparty credit risk – the cornerstone of our markets for more than 100 years.

## CME Globex

The most advanced and reliable electronic derivatives trading platform in the world, CME Globex offers access to ethanol contracts with the speed and flexibility to support the most complex and demanding trading. Millisecond response time, price transparency, anonymity, reliability, market integrity and top-of-book, real-time market data translate to unmatched functionality and capacity that is enhanced by unparalleled customer support.

## CME ClearPort

CME ClearPort gives ethanol traders unparalleled flexibility to conduct their own trades off-exchange, negotiate their own prices and still take advantage of the benefits of central counterparty clearing by submitting their transactions through the CME ClearPort system. Getting started with CME ClearPort is easy. Once an account is established with a clearing member, you simply complete the online registration form. Once approved, you're immediately ready to clear OTC ethanol trades.

## IT'S **NEVER BEEN EASIER** TO TAKE ADVANTAGE OF ETHANOL MARKET OPPORTUNITIES.

For more information about CME Group Ethanol products, visit [www.cmegroup.com/energy](http://www.cmegroup.com/energy).

## FREE WEEKLY ETHANOL OUTLOOK REPORT

To ensure our traders have access to important information affecting the ethanol community, Commodity Research Bureau, on behalf of CME Group, publishes a detailed weekly report of market trends and industry essentials. The report is a comprehensive recap of market activity for the prior week, with news and commentary providing insight into the weeks ahead. Best of all, it's available free.

- Top Ethanol News
- Market Commentary
- Charts and Comprehensive Price Data
- Industry and Inventory Data
- Contract Updates and Specifications



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# CME Group Ethanol Product Suite

Contract	Exchange Symbol	Clearing Symbol	Contract Size	Venue	Delivery
CBOT Ethanol Futures (Chicago Delivery)	ZE	EH	29,000 gallons	CME Globex	Physical delivery with seller paying negotiated freight delivery to buyer or Chicago default delivery
CBOT Options on Ethanol Futures (Chicago Delivery)	OZEC/ OZEP	EH	1 futures contract	CME Globex	Receive a futures position for the corresponding month
CBOT Ethanol Forward Month Swaps	FZE	71	14,500 gallons	CME ClearPort	Cash-settled to the average of the settlement prices for the Ethanol futures contract that follows the Ethanol Calendar Swap contract for each business day in the Ethanol Calendar Swap contract month
CBOT Options on Ethanol Forward Month Swaps	COS/POS	71	1 forward month swap contract	CME ClearPort	Options are cash-settled on the last clearing day and cannot be exercised at any time
NYMEX Ethanol Futures (New York Delivery)	QE	QE	42,000 gallons	CME Globex	Physical delivery New York Harbor
NYMEX Chicago Ethanol (Platts) Swap Futures	CU	CU	42,000 gallons	CME ClearPort	Financial settlement, based on the arithmetic average of the high and low quotations from Platts for Chicago Ethanol (Terminal) for each business day during the contract month
NYMEX New York Ethanol (Platts) Swap Futures	EZ	EZ	42,000 gallons	CME ClearPort	Financial settlement, based on the arithmetic average of the high and low quotations from Platts for New York Ethanol NYH (Barge) or each business day during the contract month
CBOT Gulf Coast Ethanol Basis Swap	GCB	75	14,500 gallons	CME ClearPort	Cash settled to the average of the daily OPIS cash price for Gulf Coast minus the Ethanol futures contract that follows the Basis Swap contract month for each business day in the Ethanol Basis Swap contract month. For example, the final settlement for a November 2007 Ethanol Basis Swap would be the average of the daily settlement prices for the Gulf Coast Basis Swap during the month of November 2007
CBOT Los Angeles Ethanol Basis Swap	LAB	74	14,500 gallons	CME ClearPort	Same as above except uses daily OPIS cash price for Los Angeles
CBOT New York Harbor Ethanol Basis Swap	NYH	73	14,500 gallons	CME ClearPort	Same as above except uses daily OPIS cash price for New York Harbor

Note: All CME Group Ethanol contracts are quoted in terms of U.S. dollars per gallon and have futures contracts for each consecutive month.

For more information about CME Group Ethanol products, visit [www.cmegroup.com/energy](http://www.cmegroup.com/energy).



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