

Iron Ore Swap Futures and Options

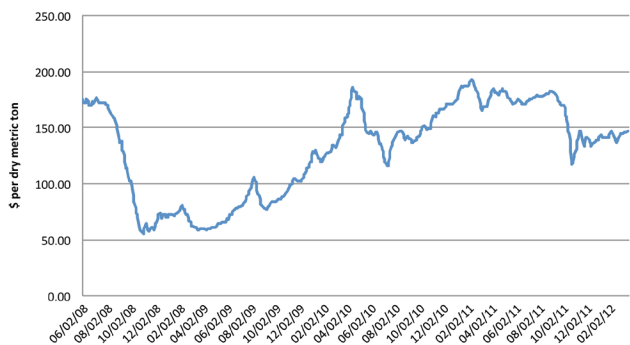
ANTICIPATING THE NEEDS OF A CHANGING MARKET.

Overview

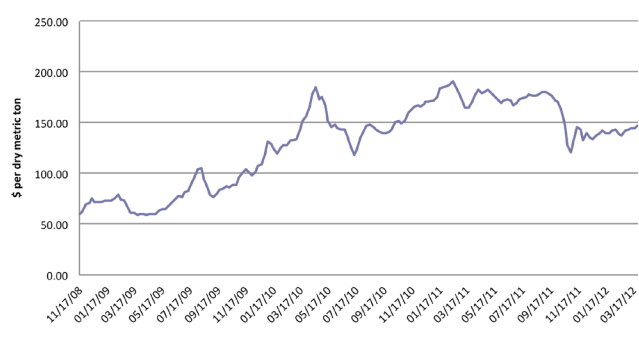
Iron ore resides at the heart of the world steel-making industry. Although abundant and widely extracted, the mining and transport of this raw material is capital intensive, which leads to supply constraints not readily filled by other materials. Seaborne trade in iron ore has grown from about 420 million tons in 2000 to over 1.1 billion tons in 2011 according to Macquarie Commodities Research. China produces nearly one-half of the world’s finished steel, making it the premier destination for seaborne iron ore shipments, and thereby exposing the steel mills not only to supply constraints, but also to transport uncertainties, which can lead to volatile price fluctuations.

These developments have changed the pricing formula for iron ore. For the past 40 years, iron prices had been set between miners and steel mills through an annual negotiated process, which resulted in “the benchmark price” — a set price for all for the entire year. China’s emergence as the significant pricing point across the industry has disrupted this process and led to the creation and acceptance of open-market price discovery using shorter-term contracts based on spot reference points. These spot transactions are calculated and combined into price indices to become the settlement reference points for iron ore financial transactions.

Iron Ore (Platts) Price



Iron Ore (TSI) Price



For the latest on real-time prices, please visit cmegroup.com/metalsquotes.

Contract Specifications

Iron Ore 62% Fe CFR North China (Platts)		
Product Symbol	Swap Futures: PIO	Swap Options: ICP
Venue & Hours (Eastern Time/ ET)	CME Globex CME ClearPort	Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Central Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
	Open Outcry	Monday – Friday 9:00 a.m. - 2:30 p.m. (8:00 a.m. - 1:30 p.m. CT)
Contract Size	1,000 dry metric tons	One Iron Ore 62% Fe, CFR North China (Platts) Swap Futures Contract
Price Quotation	U.S. dollars and cents	U.S. dollars and cents per dry metric ton
Min. Fluctuation	\$0.01 per dry metric ton	
Termination/ Expiration	Trading terminates on the last business day of the contract month. If the last business day of the contract month is a Singapore banking holiday, the last trade date will be the business day immediately preceding the holiday.	Trading terminates on the last business day of the contract month. If the last business day of the contract month is a UK banking holiday, the last trade date will be the business day immediately preceding the holiday.
Listed Contracts	Current year plus the next two calendar years	
Settlement Type	Financial	

Iron Ore 62% Fe, CFR China (TSI)		
Product Symbol	Swap Futures: TIO	Swap Options: ICT
Venue & Hours (Eastern Time/ ET)	CME Globex CME ClearPort	Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Central Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
	Open Outcry	Monday – Friday 9:00 a.m. - 2:30 p.m. (8:00 a.m. - 1:30 p.m. CT)
Contract Size	500 dry metric tons	One Iron Ore 62% Fe, CFR North China (Platts) Swap Futures Contract
Price Quotation	U.S. dollars and cents	U.S. dollars and cents per dry metric ton
Min. Fluctuation	\$0.01 per dry metric ton	
Termination/ Expiration	Trading terminates on the last business day of the contract month. If the last business day of the contract month is a UK banking holiday, the last trade date will be the business day immediately preceding the holiday.	Trading terminates on the last business day of the contract month. If the last business day of the contract month is a UK banking holiday, the last trade date will be the business day immediately preceding the holiday.
Listed Contracts	Current year plus the next two calendar years	
Settlement Type	Financial	

*These contracts are subject to the rules and regulations of COMEX. For a complete list of contract specifications, please visit cmegroup.com/ironorespecs.

For more information on our metals products visit cmegroup.com/metals or contact:

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