

# Lumber futures and options

## EFFECTIVE AND EFFICIENT RISK MANAGEMENT SOLUTIONS FOR THE VOLATILE LUMBER MARKET

The new CME physically delivered Lumber futures contract creates a more inclusive risk management tool for market participants. Lumber futures are physically delivered to the Chicago Switching District, allowing for a wider breadth of market participation from both western and eastern producing mills. Additionally, Lumber futures are sized at a single truckload to enable more tailored risk management strategies.

Lumber futures and options will be available to trade on [CME ClearPort](#) and [CME Globex](#).

### Key features

- Small contract size for precise hedging
- Delivery location accessible from western and eastern producing mills
- Participation from throughout the lumber supply chain
- Ability to rapidly connect to a pool of potential trading partners
- Cross-margining and capital efficiencies through CME Clearing
- Worldwide access via CME Globex and CME ClearPort

### CONTRACT SPECIFICATIONS – LUMBER FUTURES AND OPTIONS

PRODUCT	LUMBER FUTURES
CONTRACT	Random Lengths #2 and Better 2x4s delivered to Chicago
CONTRACT SIZE	27,500 board feet
PRICE QUOTATION	U.S. dollars and cents per thousand board reet (mbf)
TICK SIZE (MINIMUM FLUCTUATION)	\$0.50 per mbf (\$13.75 per contract)
CONTRACTS MONTHS & LISTING CYCLE	Seven listed contracts in the January, March, May, July, September, November cycle
PRODUCT CODE	LBR
CME RULEBOOK	63
TRADING PLATFORMS	CME Globex, CME ClearPort
TRADING HOURS	<b>CME Globex:</b> Monday – Friday: 9:00 a.m. – 3:05 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
SETTLEMENT METHOD	Physically delivered
DELIVERABLE SPECIES	SPF (stamped SPF), Douglas Fir, Fir Larch, and Hem Fir
DAILY SETTLEMENT	Trading activity on CME Globex between 14:59:30 and 15:00:00 CT
LAST TRADING DAY	Business day prior to the 16th calendar day of the contract month
LAST DAY TO EFP	Two business days prior to the 26th calendar day of the contract month
SINGLE POSITION, INTENT, AND NOTICE DAY	Business day prior to the 26th calendar day of the contract month
BLOCK MINIMUM THRESHOLD	20 contracts

## CONTRACT SPECIFICATIONS

PRODUCT	OPTIONS ON LUMBER FUTURES
CONTRACT	American options on Lumber futures
MINIMUM PRICE FLUCTUATION	\$0.10 per mbf (\$2.75 per contract)
LISTED STRIKES	50% of the underlying settlement price above and below the at-the-money strike at \$10.00 per mbf, plus dynamically listed strikes
CONTRACTS MONTHS & LISTING CYCLE	Five listed contracts in the January, March, May, July, September, and November cycle and one month of February, April, June, August, October, and December
PRODUCT CODE	LBR
CME RULEBOOK	63A
TRADING PLATFORMS	CME Globex, CME ClearPort
TRADING HOURS	<b>CME Globex:</b> Monday – Friday: 9:00 a.m. – 3:05 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
SETTLEMENT METHOD	Physically delivered into underlying futures
LAST TRADING DAY	Last business day of the month prior to the contract month
BLOCK MINIMUM THRESHOLD	40 contracts

For more information, contact: [lumber@cmegroup.com](mailto:lumber@cmegroup.com)

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[cmegroup.com](https://cmegroup.com)

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