

Copper

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Copper Settlement Procedure

Normal Daily Settlement Procedure

COMEX Copper futures (HG) are settled by CME Group staff based on trading activity on CME Globex during the settlement period. The settlement period is defined as: 12:59:00 to 13:00:00 ET for the Active Month and 12:30:00 to 13:00:00 ET for calendar spreads.

Active Month

The active month is the nearest of the contract months listed below that is not the spot month. The active month becomes a non-active month effective on its First Position Day.

Copper (HG) Active Months
March (H)
May (K)
July (N)
September (U)
December (Z)

Tier 1: The active contract month settles to the volume-weighted average price (VWAP) of the trades executed on CME Globex between 12:59:00 and 13:00:00 ET, the settlement period, rounded to the nearest tradable tick.

Tier 2: If there is no VWAP, then the last trade price is checked against the bid/ask.

- a. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the bid/ask.

- a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months

All months other than the designated active month will settle per the following guidelines:

Tier 1: All months other than the designated active month will settle based upon the VWAP of accumulated calendar spread transactions between 12:30:00 - 13:00:00 ET, the calendar spread settlement period. These calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form a VWAP in the contract month to be settled. For examples please click [here](#).

Tier 2: In the absence of relevant calendar spread trades, bid/asks in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract month to be settled. These implied markets will be used to derive the best possible bid and the best possible ask. Provided the implied bid/ask spread is consistent with reasonability thresholds as determined by the Global Command Center, the contract will settle within the implied bid/ask spread. Note- Efforts will be made to honor resting bids and asks, but VWAP trades will take precedence.

Tier 3: In the absence of an implied bid/ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract month's settlement price.

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement of the expiring Copper (HG) contract by following the regular daily settlement procedures for non-active months. The expiring contract, considered to be a non-active month, is settled based on relevant spread relationships on CME Globex throughout the 30 minute settlement period (for Deferred Months) up to expiration.

Additional Details

Copper (HG) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (**Chapter 111**):

<http://www.cmegroup.com/rulebook/NYMEX/1a/111.pdf>

COMEX E-Mini Copper Futures

Normal Daily Settlement

The settlements in the E-Mini Copper (QC) Futures contracts are derived directly from the settlements of the regular sized Copper (HG) Futures contracts, rounded to the nearest tradable tick.

Settlement prices for the E-mini Copper Futures may differ slightly from the "true" settlement price displayed on CME's Daily Bulletin. These slight variances in settlements are the result of rounding due to differences in the minimum tick sizes between the E-mini contracts and the full-sized contracts. Additionally, the settlement price displayed on the Daily Bulletin matches that of the full-sized contracts for purposes of marking-to-market, as the contracts are off-settable. The E-mini Copper contracts trade in .002 increments and the full-size Copper contracts trade in .0005 increments.

Example

If the HGX2 settles 3.6965, then the QCX2 would settle 3.6960.

Final Settlement

CME Group staff determines the settlement of the expiring E-Mini Copper (QC) contract by following the regular daily settlement procedure.

Additional Details

E-Mini Copper (QC) futures are cash settled upon expiration. For additional details, please see the NYMEX Rulebook ([Rule 913.07](#)).

If you have any questions, please call the [CME Global Command Center](#).

Note: In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.