

Aluminum MW US Transaction Premium

PLATTS (25MT) FUTURES (AUP)



The Contract

Our Aluminum MW US Transaction Premium Platts Futures (AUP) contract allows customers to better manage the aluminum Midwest premium price risk. The U.S. Midwest aluminum premium contract was created to cover the freight from Baltimore to the Midwest, but since has expanded to incorporate supply and demand of the North American-specific market.

Aluminum Midwest U.S. Transaction Premium has been volatile in recent years having reached record highs in January 2015, exposing market participants along the value chain to significant price risks. Our cash-settled futures contract offers the aluminium and associated industries the ability to effectively mitigate regional Midwest U.S. premium price risk exposure.

The Platts Aluminum MW US Transaction Premium is a daily premium or discount over cash aluminium flat price, Midwest delivery within 7-30 days and 30 days payment. Premium is determined based on physical business reported by a daily survey of major buyers and sellers, using a representative survey sample of producers, traders and different types of end users (sheet mills, extruders, automotive companies and so on). It also includes business for North American P1020 T-bars and sows.

Benefits

- Cash settled
- Enables industry to mitigate the risk on the Midwest premium
- True intraday price and spread transparency across the futures curve
- Security through centralized clearing, guaranteed counterparty credit and segregation of customer funds through CME Clearing
- Easily accessible electronic execution
- Daily mark-to-market of positions
- Spot month margin erosion

Market Participants

The contract is most relevant to North American aluminum market participants across the supply chain, including miners, refineries, distributors, merchants, traders, end users and banks. Average-price contracts are a preferred hedging tool by commercials in the aluminum industry, offering price protection on an average basis throughout the month while providing more relevance for the physical underlying market participants.

Ease of Access

AUP is available to trade on CME Globex and via CME Direct, CME Group's free front end trading platform for accessing CME Group markets. CME Globex operates as a Central Limit Order Book, or CLOB. AUP also will be available for clearing on CME ClearPort for privately negotiated trades.

CME Globex

The CME Globex platform was the first - and remains among the fastest - global electronic trading systems for futures and options. Through its advanced functionality, high reliability and global connectivity, it is now the world's premier electronic marketplace for derivatives. To learn more about CME Globex, visit cmegroup.com/globex.

CME Direct

Delivered securely across the Internet, CME Direct is a free, highly configurable trading front end for CME Group markets that offers a complete suite of solutions across the trading lifecycle. To learn more about CME Direct, visit cmegroup.com/direct.

CME ClearPort

CME ClearPort is a comprehensive set of flexible clearing services for the over-the-counter (OTC) market. With CME ClearPort, you can continue to negotiate prices privately and conduct business off exchange, plus gain the security and efficiency of OTC clearing — across multiple asset classes and transactions. To register, first establish an account with a COMEX Clearing Member and complete the Exchange User License Agreement (EULA) on cmegroup.com/clearport.

Independent Software Vendor (ISV) Codes

CME Globex/CME ClearPort	AUP
Bloomberg	AUPA Comdty
TR -RIC Root	AUP
TT	AUP
CQG	AUP
Fidessa	AUP
ION (Pats & FFastFill)	AUP
SunGard	AUP
DTN (ProphetX)	QAUP

Contract Specifications

Contract Unit	55116 pounds (equivalent to 25 metric tons)	
Price Quotation	U.S. dollars and cents per pound	
Trading Hours	CME Globex and CME ClearPort	Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with an hour break each day beginning at 5:00 p.m. (4:00 p.m. CT)
Minimum Price Fluctuation	\$0.00001 per pound	
Product Code	CME Globex: AUP CME ClearPort: AUP Clearing: AUP	
Listed Contracts	60 consecutive months	
Settlement Method	Financially settled	
Floating Price	The Floating Price for each contract month is equal to the average price calculated for all available price assessments published for Aluminum MW US Transaction Premium for that given calendar month by Platts.	
Termination Of Trading	Trading terminates on the last business day of the contract month.	
Position Limits	Visit cmegroup.com/nymex-position-limits for detailed NYMEX Position Limits	
Exchange Rulebook	COMEX 1189 This contract is listed with, and subject to, the rules and regulations of COMEX.	
Block Minimum	10 contracts	

For more information about AUP, visit cmegroup.com/aluminum, or contact metals@cmegroup.com.

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