

Aluminium European Premium Duty-Unpaid

(METAL BULLETIN) FUTURES (AEP)



The Contract

The Aluminium European Premium Duty-Unpaid (Metal Bulletin) Futures (AEP) contract is part of CME Group's global suite of Aluminium premium contracts which includes the Aluminum MW U.S. Transaction Premium Platts (25MT) Futures and the Aluminum Japan Premium (Platts) Futures contracts.

European aluminium premiums have been volatile in recent years having reached record highs in November 2014 (duty-unpaid), exposing market participants along the value chain to significant price risks. This new, cash-settled futures contract offers the aluminium and associated industries the ability to effectively mitigate regional European aluminium duty-unpaid premium price risk exposure.

Using the AEP contract, market participants have the ability to employ a range of derivatives strategies from protecting margins, hedging physical long positions to offering floating and fixed price physical transactions.

Benefits

- Cash settled
- 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

Market Participants

Market participants with access to CME ClearPort and CME Globex will be able to utilize this contract. Interest has come from commercial participants involved in the aluminium value chain including miners, refiners, distributors, merchants, consumers, traders and banks.

Ease of Access

AEP 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. AEP will also 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 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, CME Group's free trading front end, visit cmegroup.com/direct.

CME ClearPort

CME ClearPort is a comprehensive set of flexible clearing services for the over-the-counter (OTC) market. Launched in 2002 to provide centralized clearing services and mitigate risk in the energy marketplace, CME ClearPort today serves as a gateway for a diverse slate of asset class transactions submitted for clearing. With OTC clearing through CME ClearPort, you can continue to negotiate your own prices privately and conduct business off exchange – but you gain increased security and efficiency.

To register for clearing through CME ClearPort, you must establish an account with a COMEX Clearing Member and complete the Exchange User License Agreement (EULA) available at cmegroup.com/clearport.

Once you have received your username and password, contact your Clearing Member Firm and request that your clearing account be added to RAV (Risk Allocation Value) Manager. For more information about clearing member firms, please visit cmegroup.com/tools-information/clearing-firms.html.

Independent Software Vendor (ISV) Codes

CME Globex/CME ClearPort	AEP
Bloomberg	OPEA Comdty
TR-RIC Root	AEP
TT	AEP
CQG	NAEP
Fidessa	AEP
ION (Pats & FFastFill)	AEP
SunGard	AEP
DTN (ProphetX)	QAEP

Contract Specifications

Contract Unit	25 metric tons
Price Quotation	U.S. dollars and cents per metric ton
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	\$0.01 per metric ton
Product Code	CME Globex: AEP CME ClearPort: AEP Clearing: AEP
Listed Contracts	Monthly contracts listed for the current year and the next calendar year. Monthly contracts for a new calendar year will be added following the termination of trading in the December contract of the current year.
Settlement Method	Financially settled
Floating Price	The Floating Price for each contract month shall be equal to the arithmetic average calculated to two decimal places of each daily mid-point of the Metal Bulletin Aluminium P1020A, in-warehouse Rotterdam duty-unpaid, spot low-high, \$/tonne for each day during the contract month published by Metal Bulletin.
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 108 This contract is listed with, and subject to, the rules and regulations of COMEX.
Block Minimum	10 contracts

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

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