

Metals Monthly Update

JULY 2017



Recent Developments

> Precious Metals:

- Overall Precious Metals products' July ADV increased by 8% YoY. Silver futures continued to perform strongly in July, with ADV increased by 25% YoY. Platinum futures also had an excellent month in July, with ADV increased by 15% YoY.
- Weekly gold options liquidity continued to improve significantly, with July ADV increased by 93% YoY – a 17th consecutive month of YoY growth.
- Gold prices declined in early July after stronger than expected U.S. nonfarm payroll data increased the likelihood of another Fed rate hike. However, prices started to rebound since mid-July and reached 6-week high by end of July after U.S. inflation data dampens rate hike expectations. Recent North Korea geopolitical tension also boosted safe-haven demand for gold and weaker U.S. dollar supported the gold prices in July as well.

> Base Metals:

- The Base Metals product suite July ADV increased by 15 % YoY, led by the solid performance of Copper Futures, with July ADV increased by 15 % YoY. Copper Futures open interest surged by 25% over the last three months to hit a record high of 313,985 contracts on July 31.
- Weak U.S. dollar and expectations for improved demand from China supported copper prices in July. Copper prices climbed to the highest level in more than two years by the end of July. The recent price rally was mainly triggered by the news that China could ban imports of some scrap metal (include copper) by the end of 2018.

- In July, market quality has dramatically improved in Copper options.
 - Copper options set an ADV record during 25th to 27th July - The first time ADV exceeded 1,000 lots over a 3-day period.
 - Average bid/ask spread in copper options has tightened to 0.0035.
 - Average size of book has grown to 50 lots.
- Aluminum Japan Premium (Platts) Futures (MJP) contract hit an OI record of 168,000 MT (6,720 contracts) on Jul 24th.
- Alumina FOB Australia (Platts) Futures (ALA) set a new monthly volume (250 lots) record in July as the new contract gains more traction. Open interest also reached a record high of 250 lots on July 28.

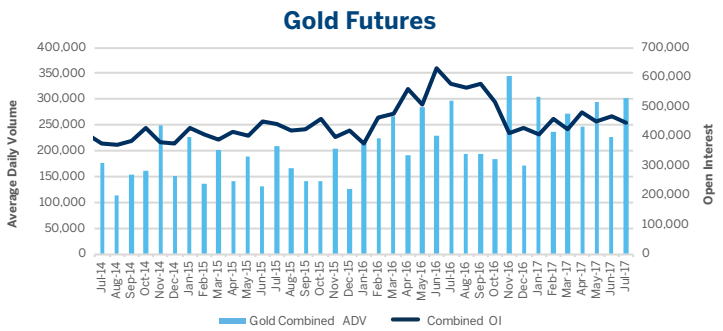
> Ferrous Metals:

- U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Futures (HRC) continued to see increased volume; activity increased both on screen and OTC. July monthly volume was 6,639 lots (132,780 short tons)
- Steel demand in July is well supported and supply is expected to be tight following Beijing's clampdown on low-grade steel production. Tangshan also announced winter air pollution measures including a 50% reduction in steel production.
- Iron ore prices surged by nearly 10% in July mainly driven by China's renewed vows to cut steel capacity and government steps ups efforts to crack down on polluting steel plants.

Precious Metals

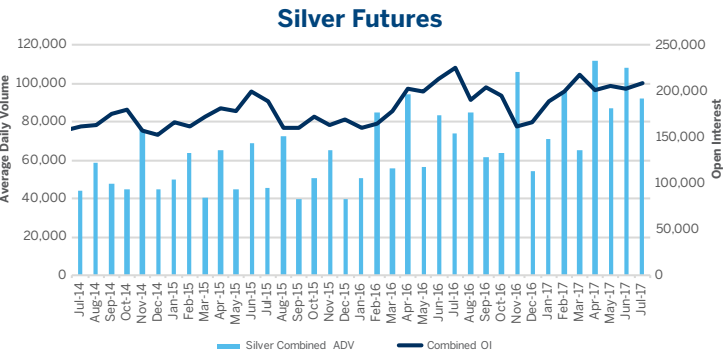
Gold Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
GC	Gold Futures	297,852	2.7%	264,371	10.4%
MGC	E-Micro Gold Furues	4,073	-16.4%	4,180	-9.2%
QO	E-Mini Gold Futures	361	-54.3%	408	-26.8%
GCK	Gold Kilo Futures	13	-93.1%	17	-92.9%



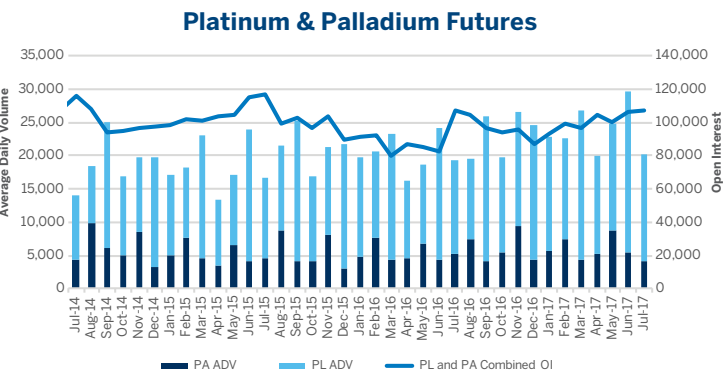
Silver Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
SI	Silver Futures	91,486	25.4%	89,282	25.5%
SIL	1,000 oz Silver Futures	272	-55.0%	254	-37.8%
QI	E-Mini Silver Futures	46	-58.0%	44	-25.2%



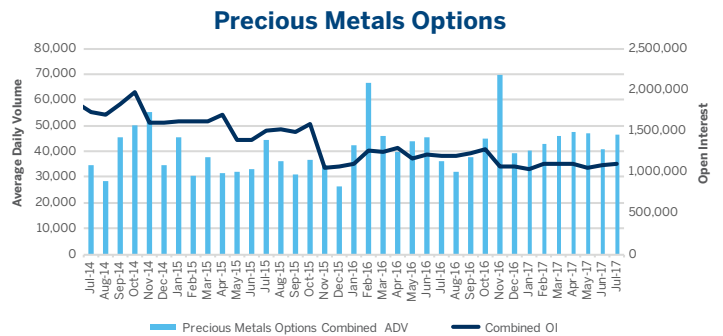
Platinum & Palladium Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
PL	Platinum Futures	16,053	14.8%	18,163	21.2%
PA	Palladium Futures	4,136	-20.6%	5,825	9.1%



Precious Metals Options

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
OG	Gold Options	39,471	34.8%	38,424	-3.7%
SO	Silver Options	6,569	-2.4%	5,597	1.4%
PO	Platinum Options	162	21.9%	124	-35.2%
PAO	Palladium Options	337	24.8%	220	48.6%



Gold Weekly Options

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
OG 1-5	Gold Weekly Options	511	92.50%	561	181.30%

Precious Metals Options RFQ Performance

Precious Metals Options	RFQ % of all spreads	YoY%
July	66.0%	34.1%

Base Metals and Ferrous Metals

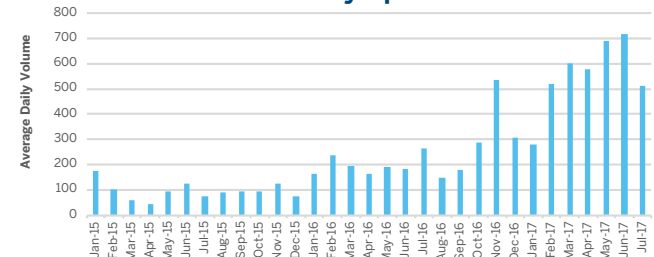
Copper Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HG	Copper Futures	87,025	15.3%	96,833	18.1%

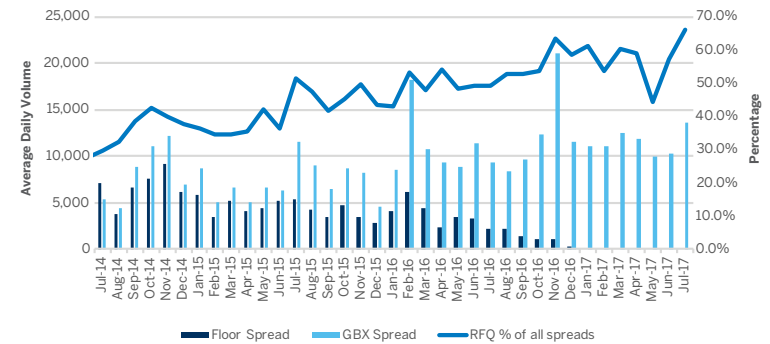
Copper Options

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HX	Copper Options	299	3.40%	197	48.00%

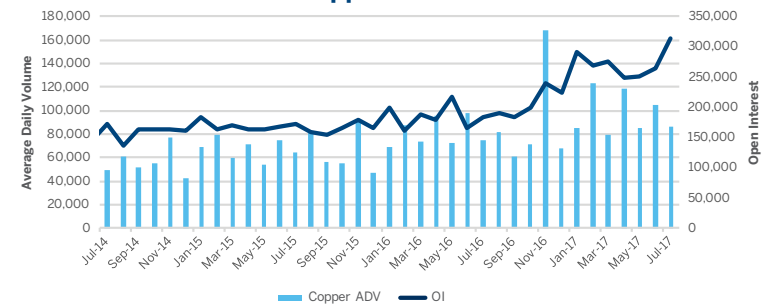
Gold Weekly Options



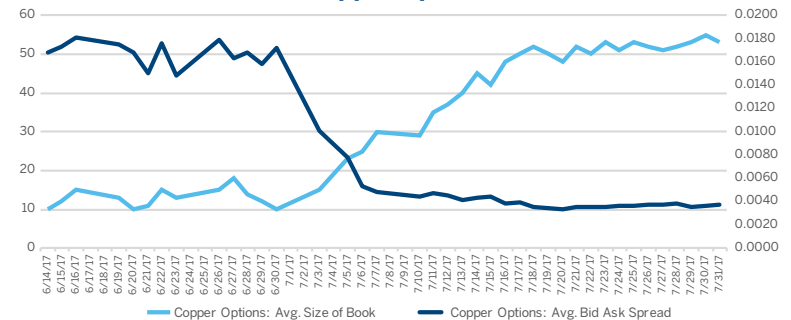
Precious Metals Options RFQ Performance



Copper Futures



Copper Options



Aluminum Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
ALI	Aluminum Futures	17	-50.1%	38	25.2%
EDP	Aluminium European Premium Duty-Paid Futures	24	14.3%	31	81.9%
MJP	Aluminum Japan Premium Futures	133	678.3%	58	78.8%
AEP	Aluminium European Premium Duty-Unpaid Futures	36	-46.7%	123	136.3%
AUP	Aluminum MW U.S. Transaction Premium Futures	237	-23.6%	356	19.1%

Iron Ore Futures and Options

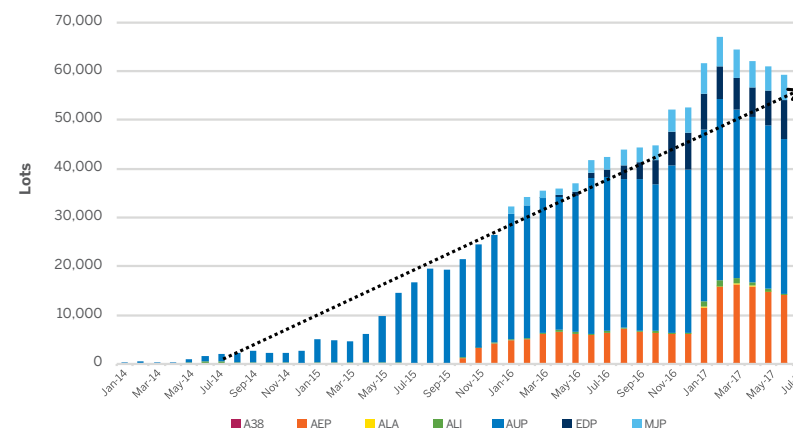
Commodity Code	Contract Description	Monthly Volume	Monthly ADV	Month-End Open Interest
TIO	Iron Ore 62 China (TSI) Futures	4,483	224	18,505
ICT	Iron Ore 62 China (TSI) Options	2,880	144	13,251

Steel Futures

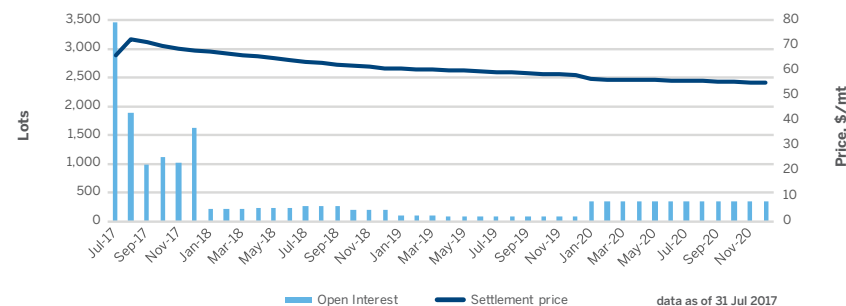
Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HR	U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Index Futures	332	94.4%	215	-6.1%

For more information please visit cmegroup.com/metals or contact metals@cmegroup.com

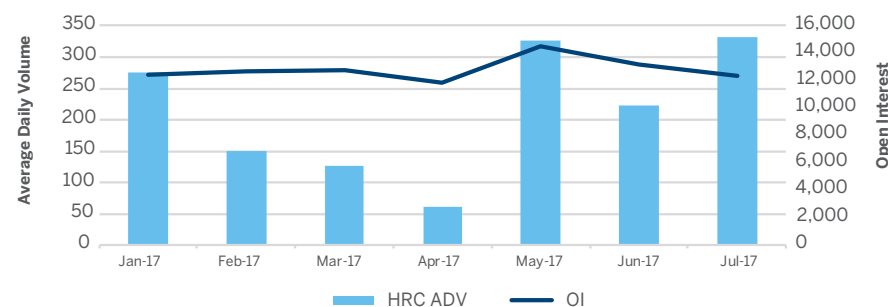
Aggregated Open Interest Across all CME Aluminum Contracts



CME Iron Ore (TIO) Forward Open Interest



U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Index Futures



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