

Metals Monthly Update

AUGUST 2017



Recent Developments

> Precious Metals:

- Overall Precious Metals products' August ADV increased significantly by 49% YoY. Both Gold and Silver futures had a phenomenal performance in August, with ADV increasing by 55% and 34% YoY, respectively. Gold and Silver options August ADV was also up by 68% and 37%, respectively YoY.
- Weekly Gold Options liquidity continued to improve with rapid pace. August ADV increased by 454% YoY – 18 consecutive months of YoY growth. Open interest reached all-time-high 7,714 lots on August 30. August is also the record volume month for Weekly Gold Options (18,856 lots).
- Gold prices jumped significantly, a near 1-year high by the end of August. North Korean geopolitical tension continued to be the major factor that boosted safe-haven demand for gold in August. Yellen's speech at Jackson Hole meeting also affected market sentiment for next rate hike which supported the gold price rally.

> Base Metals:

- The Base Metals product suite August ADV increased by 57 % YoY, led by the extraordinary performance of Copper Futures, with August ADV increased by 57 % YoY. Copper Futures hit the record high open interest of 337,907 contracts on August 16.
- Copper rose to a near three-year high by the end of August on signs of stronger demand from China. Meanwhile weaker U.S. dollar and the news that China is considering banning imports of scrap metal supported copper prices recently. Short-covering and speculative buying also helped boost the copper price in August.
- Aluminum Japan Premium (Platts) Futures (MJP) contract hit an OI record of 181,150 MT (7,246 contracts) on August 31.

- Since the launch of our liquidity program in July, market quality continued to improve in Copper Options – Open interest record refreshed 5 times in August and achieved all-time high 8,833 lots on Aug 28. August is also the record volume month for Copper Options with 10,432 lots traded.
- Aluminum European Premium Duty-Unpaid (Metal Bulletin) Futures (AEP) new daily volume record was set on August 1 with 49,500 MT (1,980 contracts) traded.
- Aluminum European Premium Duty-Paid (Metal Bulletin) Futures (EDP) had a new daily volume record on August 10 with 42,000 MT (1,680 contracts) traded. Open interest reached all-time high 280,625 MT (11,225 contracts) on August 31. August is also the record volume month for EDP with 105,000 MT (4,200 contracts) traded.
- Alumina FOB Australia (Platts) Futures (ALA) set a new monthly volume (1,990 lots) record in August. ALA also had a new daily volume record with 450 lots traded on August 8th and open interest reached a record high of 1,900 lots on August 31.

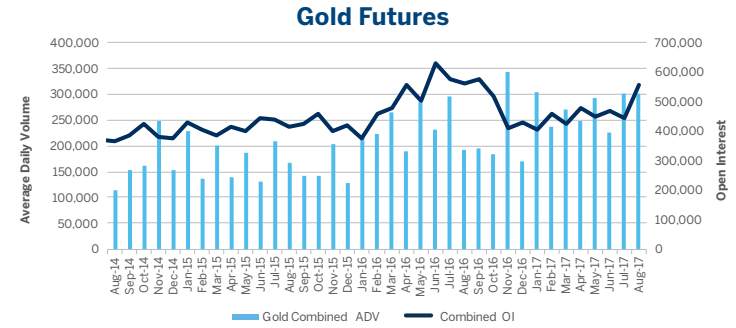
> Ferrous Metals:

- U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Futures (HRC) continued to see increased volume in August. Monthly volume was 7,316 lots (146,320 short tons), an increase of 46% YoY.
- Iron ore prices rallied by nearly 5% in August mainly driven by improved Chinese growth and capacity shut downs. A fire accident at China's second largest blast furnace also supported iron ore and steel prices recently. Iron Ore Options (ICT) average daily turnover exceeded 400 lots in August, up by 200% YoY.
- The winter air pollution plan requires mothballing inefficient steel mills around major cities to improve air quality. Zhengda Iron and Steel in Hebei province is expected to close this month.

Precious Metals

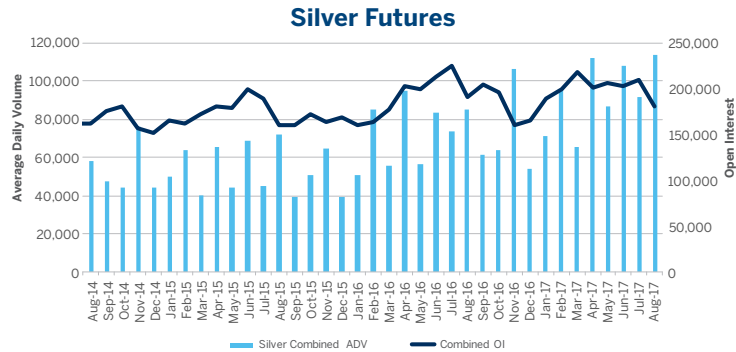
Gold Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
GC	Gold Futures	296,035	55.2%	268,706	15.5%
MGC	E-Micro Gold Furues	4,664	90.0%	4,246	-1.5%
QO	E-Mini Gold Futures	298	-13.7%	393	-25.6%
GCK	Gold Kilo Futures	13	-92.8%	17	-92.9%



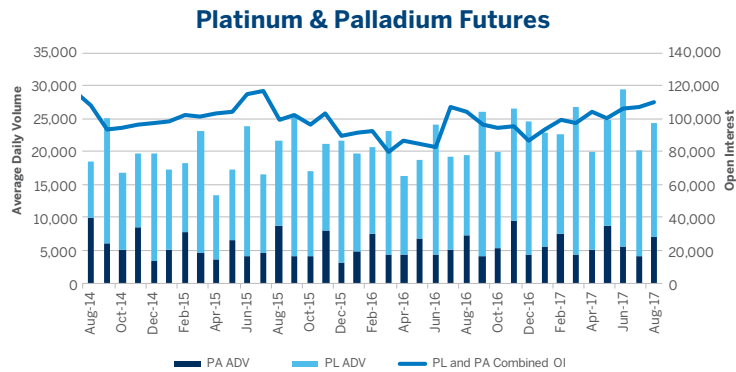
Silver Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
SI	Silver Futures	113,246	34.3%	92,563	26.9%
SIL	1,000 oz Silver Futures	478	-4.9%	285	-32.4%
QI	E-Mini Silver Futures	35	-50.9%	43	-29.3%



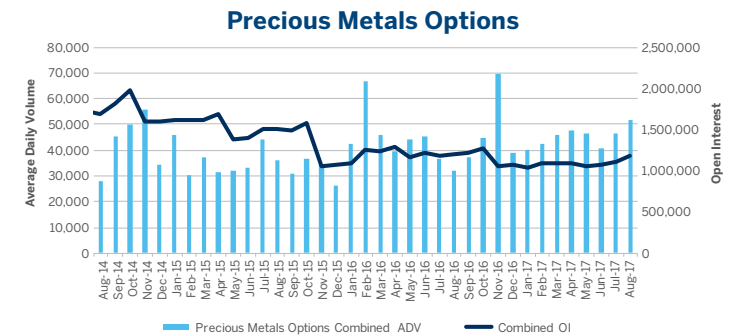
Platinum & Palladium Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
PL	Platinum Futures	17,169	41.9%	18,026	23.5%
PA	Palladium Futures	7,137	-3.4%	6,004	6.9%



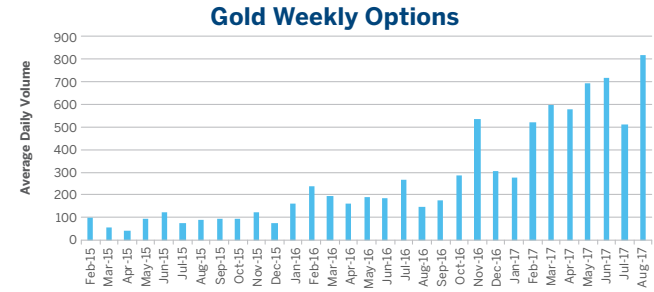
Precious Metals Options

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
OG	Gold Options	43,476	65.6%	39,115	2.9%
SO	Silver Options	7,485	37.3%	5,855	6.2%
PO	Platinum Options	189	-36.1%	133	-35.3%
PAO	Palladium Options	585	174.0%	270	71.9%



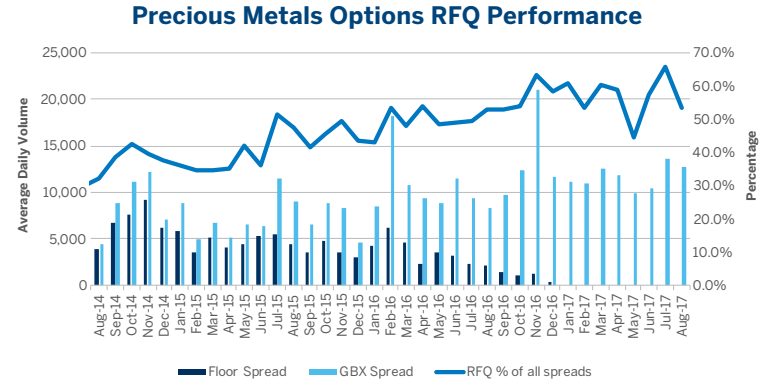
Gold Weekly Options

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
OG 1-5	Gold Weekly Options	820	454%	596	210.0%



Precious Metals Options RFQ Performance

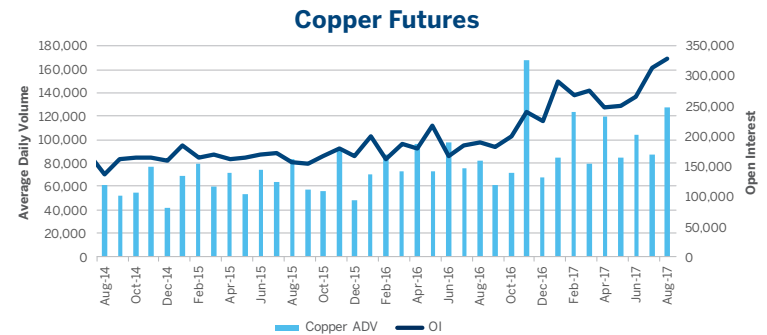
Precious Metals Options	RFQ % of all spreads	YoY%
August	53.5%	0.9%



Base Metals and Ferrous Metals

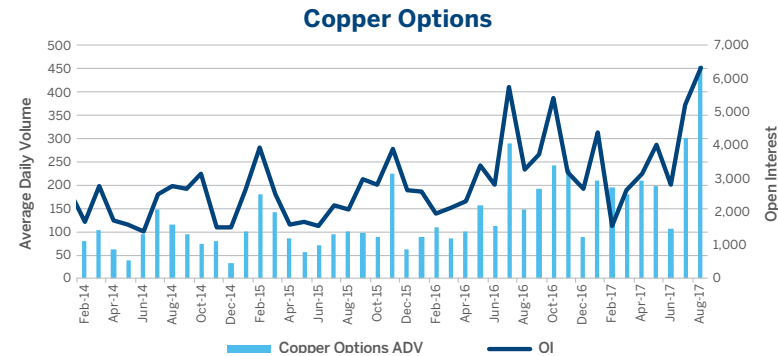
Copper Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HG	Copper Futures	128,043	57.0%	101,105	23.4%



Copper Options

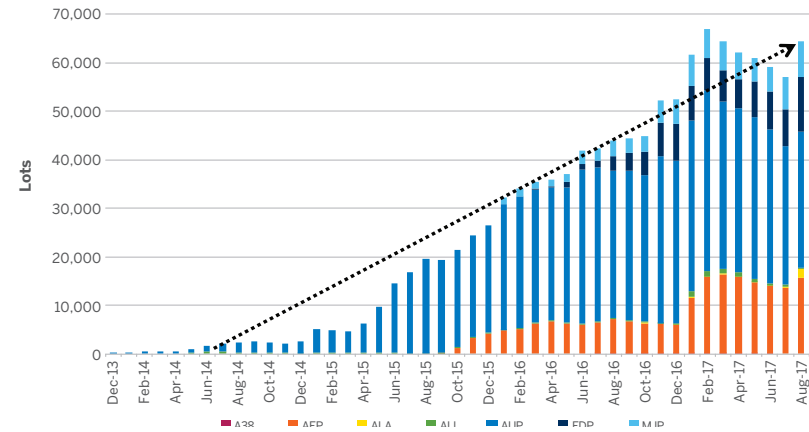
Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HX	Copper Options	454	211.3%	232	72.2%



Aluminum Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
ALI	Aluminum Futures	2	-92.1%	33	9.8%
EDP	Aluminium European Premium Duty-Paid Futures	183	165.8%	52	114.5%
MJP	Aluminum Japan Premium Futures	74	98.8%	60	81.9%
AEP	Aluminium European Premium Duty-Unpaid Futures	180	187.5%	131	144.5%
AUP	Aluminum MW U.S. Transaction Premium Futures	324	50.0%	352	22.2%

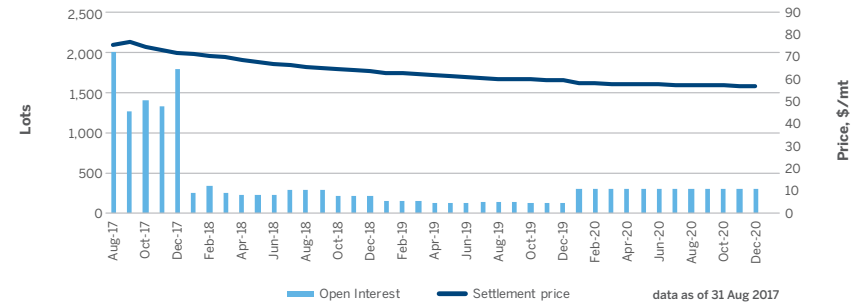
Aggregated Open Interest Across all CME Aluminum Contracts



Iron Ore Futures and Options

Commodity Code	Contract Description	Monthly Volume	Monthly ADV	Month-End Open Interest
TIO	Iron Ore 62 China (TSI) Futures	7,147	311	16,125
ICT	Iron Ore 62 China (TSI) Options	9,250	402	20,036

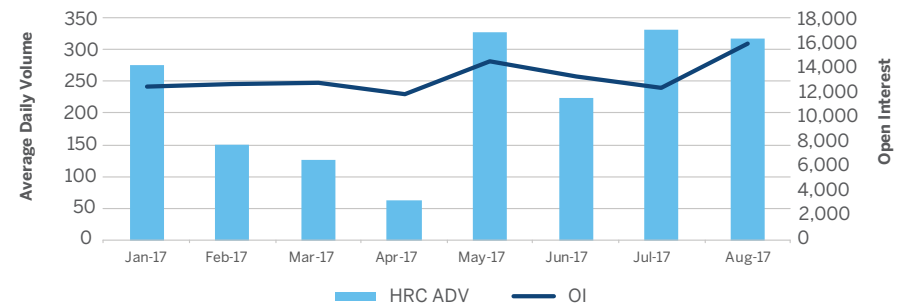
CME Iron Ore (TIO) Forward Open Interest



Steel Futures

Code	Contract Description	Monthly ADV	YoY %	YTD ADV	YoY%
HR	U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Index Futures	318	46.1%	229	0.8%

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



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