

AGRICULTURE

Palm Oil Calendar Futures and Options



Crude Palm Oil and Palm Olein Calendar futures track the average prices for palm oil/olein. This allows producers, processors and end-users in an industry characterized by continuous production and processing, to more effectively manage the price risk they are exposed to on a daily basis.

Complementing the existing benchmark oilseed products available on CME Globex, including CBOT Soybean Oil and BMD Crude Palm Oil (FCPO), the addition of Palm Oil Calendar futures and options provides customers with enhanced hedging opportunities on a single hub.

Key Features

- Access through existing FCM relationship
- U.S. dollar-denominated and cash-settled
- New spreading opportunities with benchmark CBOT Soybean Oil futures and options
- Reduced capital requirements due to cross-product margin efficiencies
- Financial integrity of CME Clearing

Malaysian Crude Palm Oil Calendar Futures

Based on the global benchmark Bursa Malaysia Derivatives (BMD) Crude Palm Oil futures (FCPO), the Palm Oil Calendar futures contract complements the palm products offered by BMD on the CME Globex platform. It replicates the risk coverage of CME Group's popular Calendar Swaps, in a futures contract that can be accessed through an existing FCM relationship.

Malaysian Crude Palm Olein Calendar Futures

Palm Olein Calendar futures provides exposure to a cash-settled palm olein market, an advantage for those who are unable to take physical delivery. The contract also offers an alternative to trading the physically-delivered FOB Port Klang/Pasir Gudang (PK/PG) paper olein market, while mitigating counterparty default risk. Palm oil refiners can combine Palm Olein Calendar futures and Palm Oil Calendar futures to lock in a portion of their refining margin, particularly important in the far forward months when the management of counterparty risk exposure is so critical owing to the long time horizons involved.

Average Price Options on Palm Oil Futures

With multiple strikes and maturities, options offer additional flexibility and precision, allowing market participants to better tailor their risk management strategies to their specific needs. Options can also be less margin-intensive than futures during periods of heightened volatility.

USD-denominated Malaysian Crude Palm Oil Calendar Futures (CPO)

TICKER SYMBOL	CPO
CONTRACT UNIT	25 metric tons
UNDERLYING INSTRUMENT	Bursa Malaysia Derivatives Berhad Crude Palm Oil Futures (FCPO)
PRICE QUOTATION	U.S. dollars and cents per metric ton
TICK SIZE	USD \$0.25 per metric ton (\$6.25 per contract)
DAILY PRICE LIMITS	None - But Underlying BM CPO Futures Contract has a Limit of 10% Above and Below the Previous Settlement Price
CONTRACT MONTHS	Up to 60 consecutive months
LAST TRADING DAY	Last business day of the contract month. However, should there be a Bursa Malaysia Derivatives Berhad business day during the contract month that follows the last CME Group business day of the contract month, then final settlement will be on the first CME Group business day of the month following the contract month.
FINAL SETTLEMENT	<p>All contracts open as of the termination of trading shall be cash settled.</p> <p>The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate which appears on Thomson Reuters Screen MYRFIX02 Page at approximately 3:30 p.m. Kuala Lumpur time.</p> <p>For example, final settlement for a January contract month of the contract would be the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate.</p>
TRADING HOURS (CT)	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time
RULEBOOK CHAPTER	CME Rulebook Chapter 204

USD-denominated Malaysian Palm Olein Calendar Futures (OPF)

TICKER SYMBOL	OPF
CONTRACT UNIT	25 metric tons
UNDERLYING INSTRUMENT	Thomson Reuters Malaysia RBD Palm Olein Daily Reference Price Assessment
PRICE QUOTATION	U.S. dollars and cents per metric ton
TICK SIZE	USD \$0.25 per metric ton (\$6.25 per contract)
DAILY PRICE LIMITS	None
CONTRACT MONTHS	Up to 23 consecutive months
LAST TRADING DAY	The final settlement day will be on the last business day of the contract month. However, should there be a Thomson Reuters Malaysia RBD Palm Olein assessment during the contract month that follows the last CME business day of the contract month, then final settlement will be on the first CME business day of the month following the contract month.
FINAL SETTLEMENT	<p>All contracts open as of the termination of trading shall be cash settled.</p> <p>The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of each Thomson Reuters "Malaysia RBD Palm Olein" third forward month closing time assessment for each business day of the contract month rounded to the nearest \$0.25.</p> <p>For example, final settlement for a January contract month of the contract would be the cumulative average of the daily assessment prices for the third forward Thomson Reuters Malaysia RBD Palm Olein assessment during the month of January, which in this example will comprise half of the March assessment and half of the April assessment, with the month roll determined by the Thomson Reuters listing and expiration cycle. These daily settlement prices are rounded to the nearest \$0.25.</p>
TRADING HOURS (CT)	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time
RULEBOOK CHAPTER	CME Rulebook Chapter 204C

USD Malaysian Crude Palm Oil Average Price Option (POO)

TICKER SYMBOL	POO
CONTRACT UNIT	25 Metric Tons
PRICE REFERENCE	Bursa Malaysia Crude Palm Oil Futures (FCPO)
PRICE QUOTATION	U.S. dollars and cents per metric ton
TICK SIZE (MINIMUM FLUCTUATION)	\$0.10
EXERCISE STYLE	European
STRIKE PRICE INTERVAL	\$10.00
STRIKE PRICE RANGE	At-the-money, 10 In-the-money, and 10 Out-of-the-money
CONTRACT MONTHS/ SYMBOLS	Twelve Consecutive Monthly Expirations
DAILY PRICE LIMIT	None
LAST TRADING DAY	Last business day of the contract month. However, should there be a BMD business day during the contract month that follows the last CME business day of the contract month, then final settlement will be on the first CME business day of the month following the contract month.
FINAL SETTLEMENT	All contracts open as of the termination of trading shall be cash settled. The final settlement price shall be determined on the final settlement day. The final settlement price shall be determined against the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia for each trading day in the contract month converted to USD using the Kuala Lumpur USD/MYR Reference Rate and rounded to the nearest \$0.25. For example, final settlement for a January month of the contract would be determined against the cumulative average of the daily settlement prices for the third forward FCPO contract during the month of January, which in this example will comprise half of the March contract and half of the April contract, with the month roll determined by Bursa Malaysia listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25.
TRADING HOURS	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. Central Time CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time
BLOCK TRADE MINIMUM	10
RULEBOOK CHAPTER	CME Rulebook Chapter 204D

For more information on our palm products, visit cmegroup.com/palm

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