



2015 NYMEX Energy Options Year End Review

January 2016

Jeff White – Senior Director, Energy Products

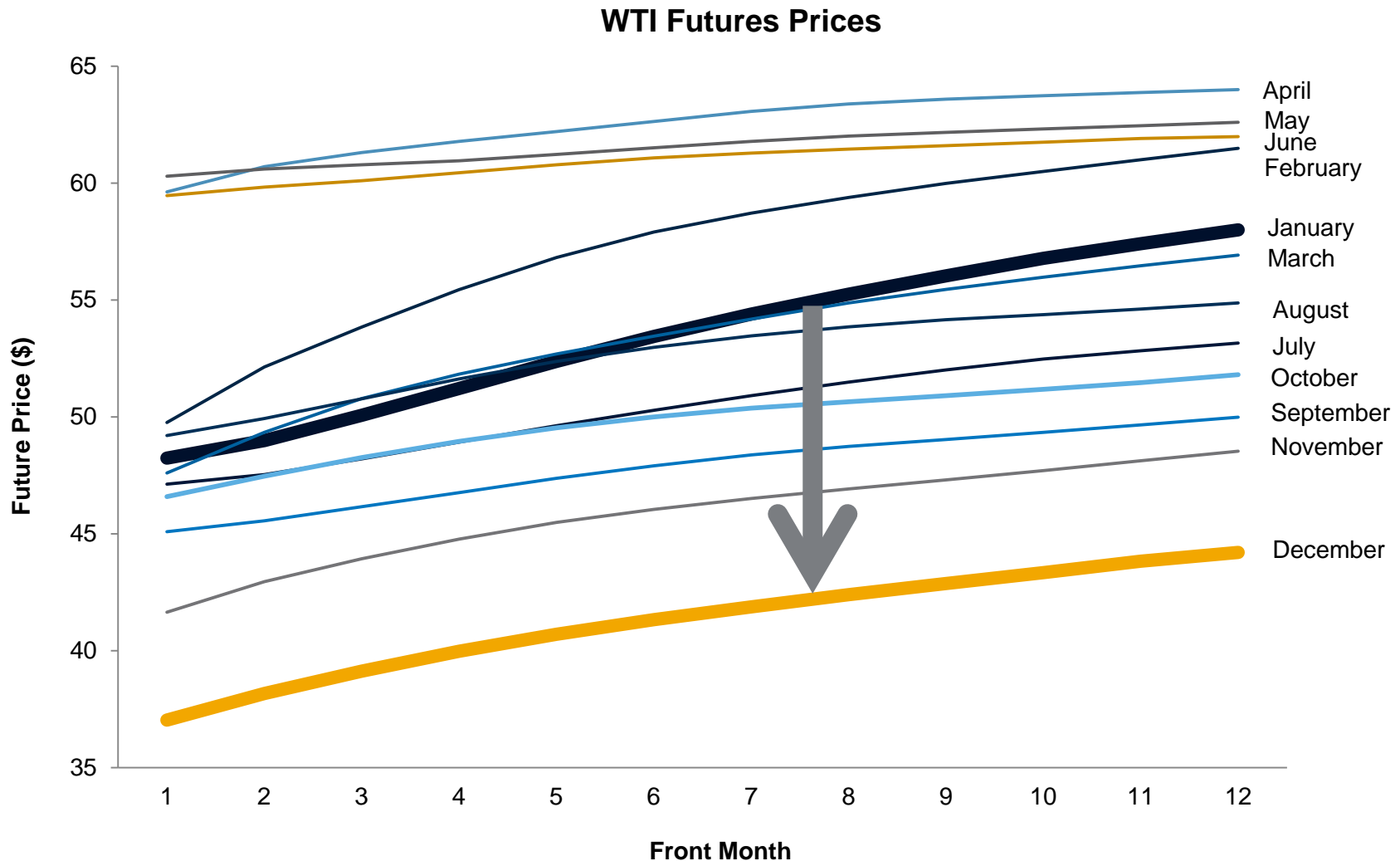
Energy Market Landscape: 2015 Overview

Trends

- A major decline in oil prices stimulated crude and refined volume
- 2015 saw major growth in energy options electronification
- New products and electronic trading functionality

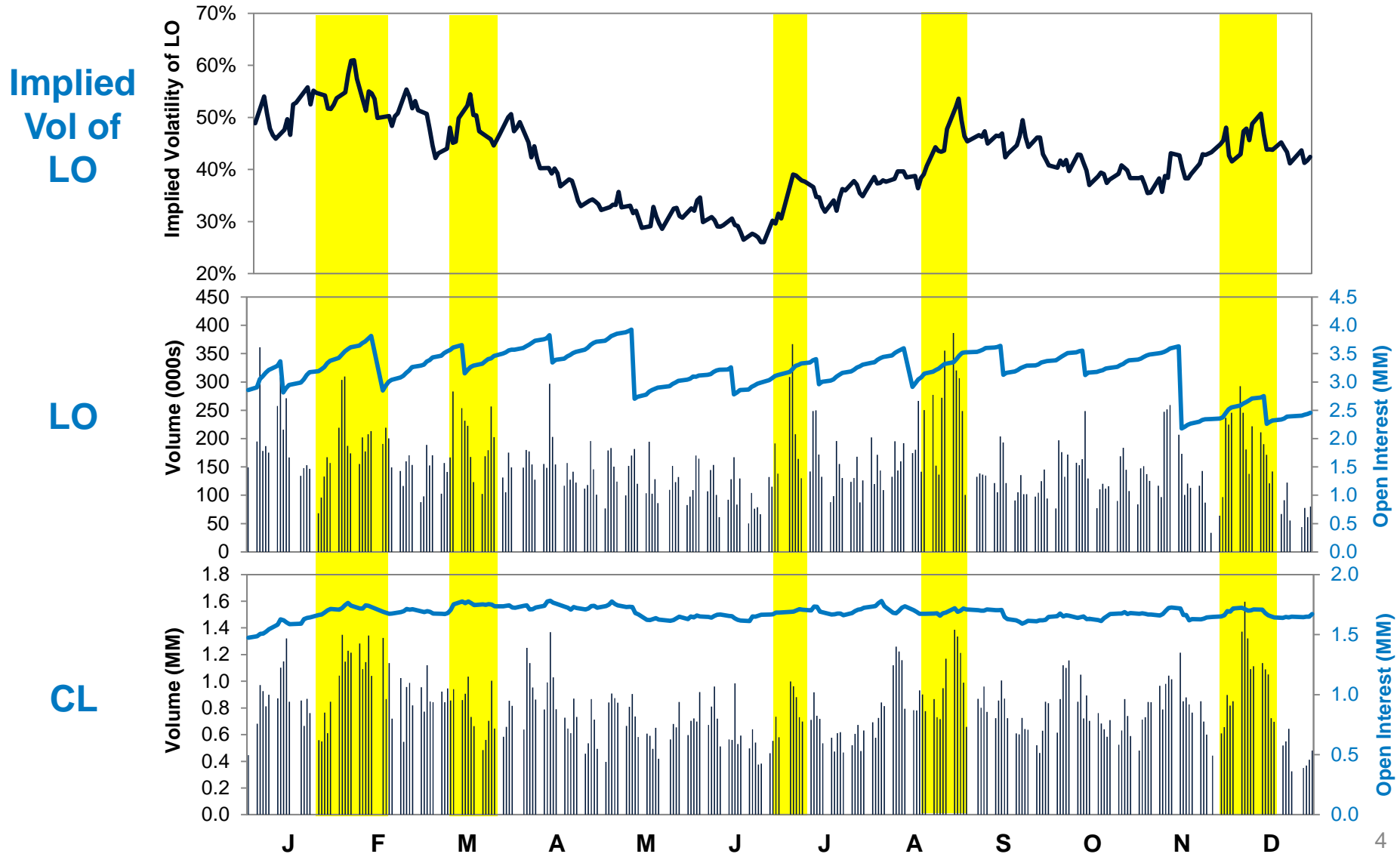
Energy Market Landscape: 2015 Overview

WTI's 2015 Volatility and Decline



Energy Market Landscape: 2015 Overview

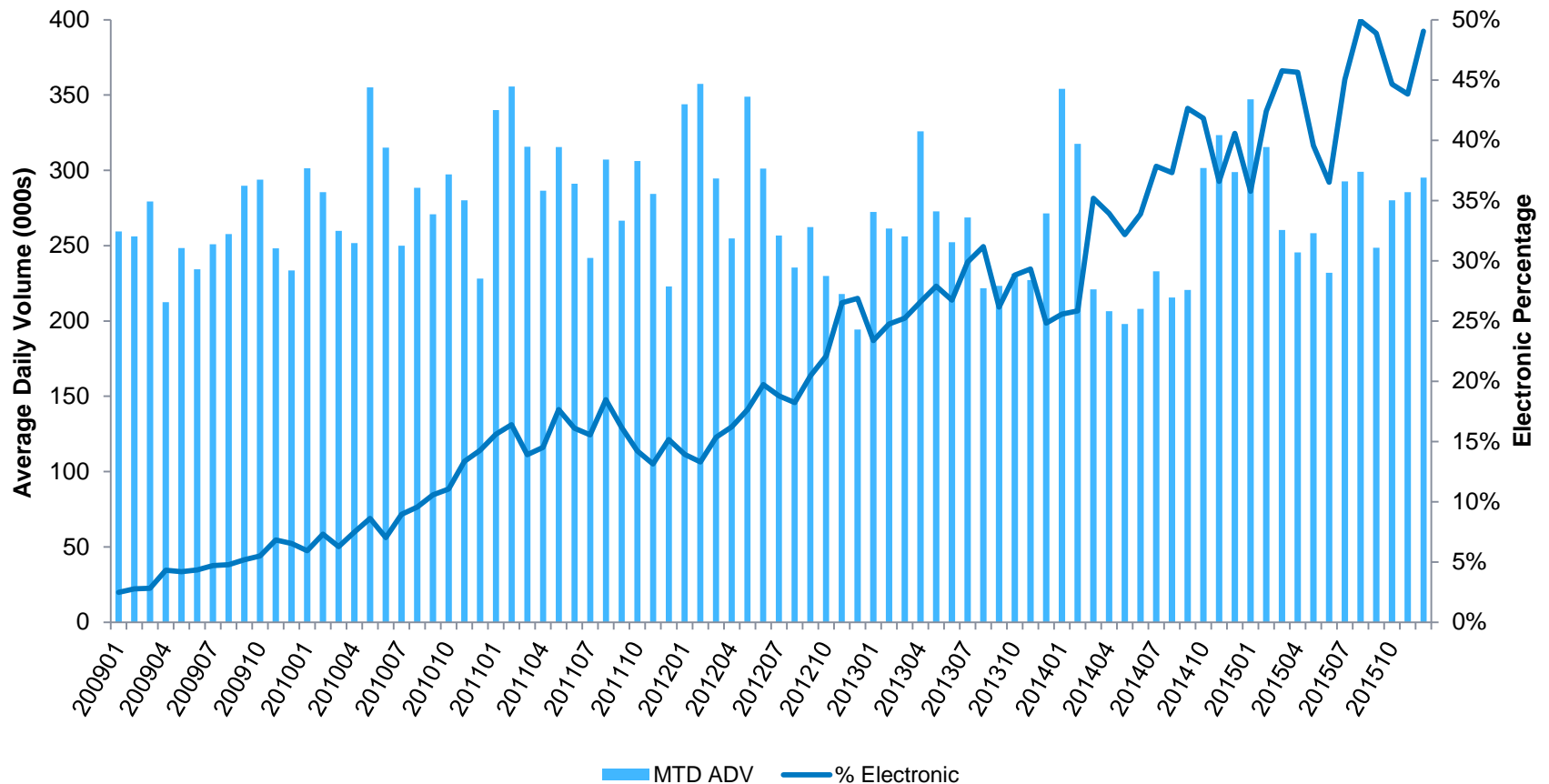
WTI's 2015 Volatility and Volume and O.I. in Futures and Options



Energy Market Landscape: 2015 Overview

49% of NYMEX Energy Options Traded Electronically in December, an increase of 24% throughout 2015

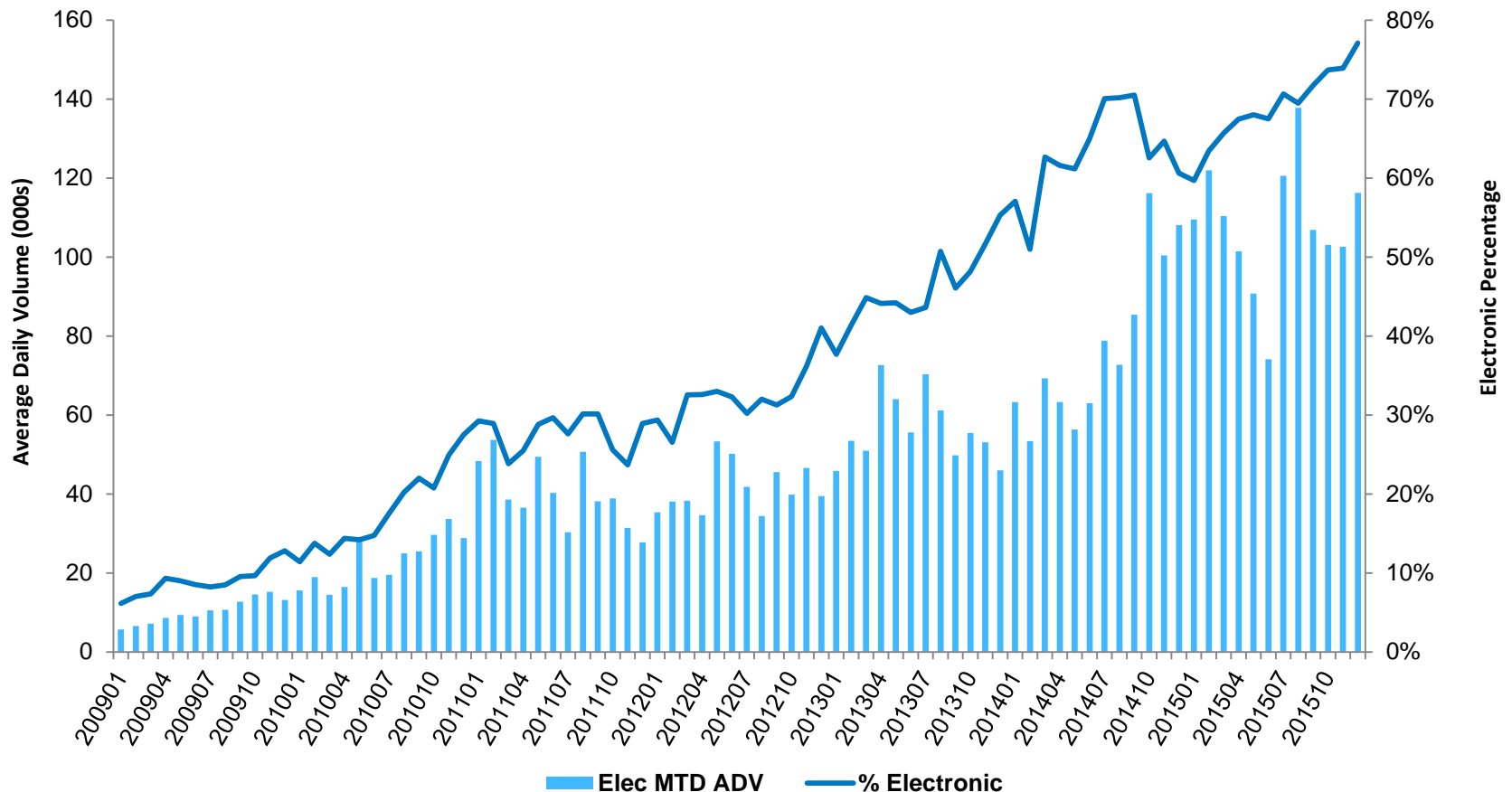
NYMEX Energy Options – Total Volume and Electronic Percentage



Energy Market Landscape: Crude Oil

A Record 77% of WTI Options Traded Electronically in December, a 20% Increase Since the Beginning of 2015

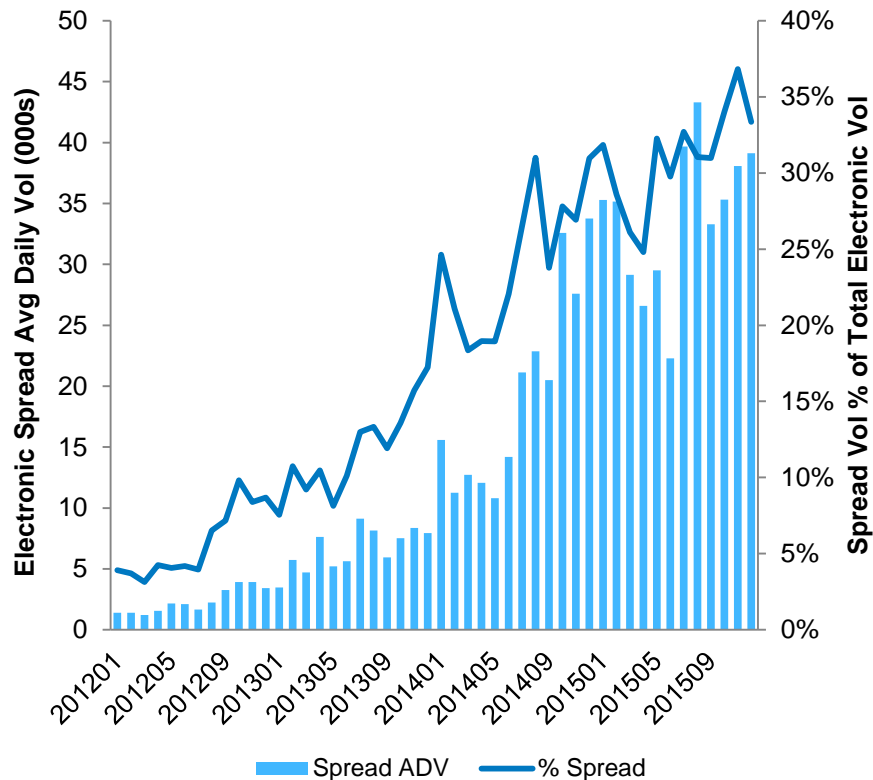
NYMEX WTI Options (LO) Electronic Volume and Percentage



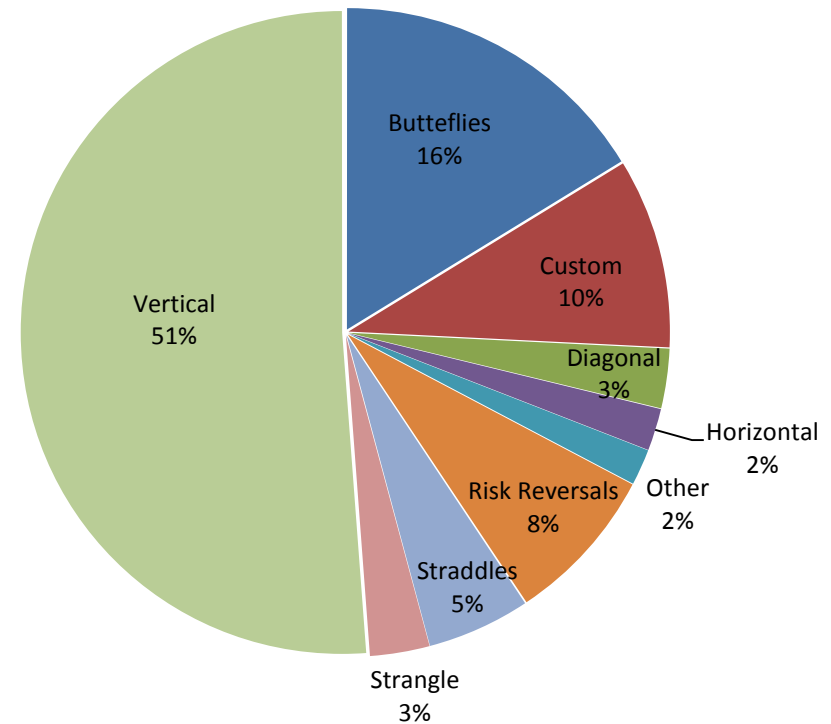
Energy Market Landscape: Crude Oil

33% of Electronically Traded WTI Options were Executed as a Spread in December

NYMEX Crude Options - Electronic Spread Volume



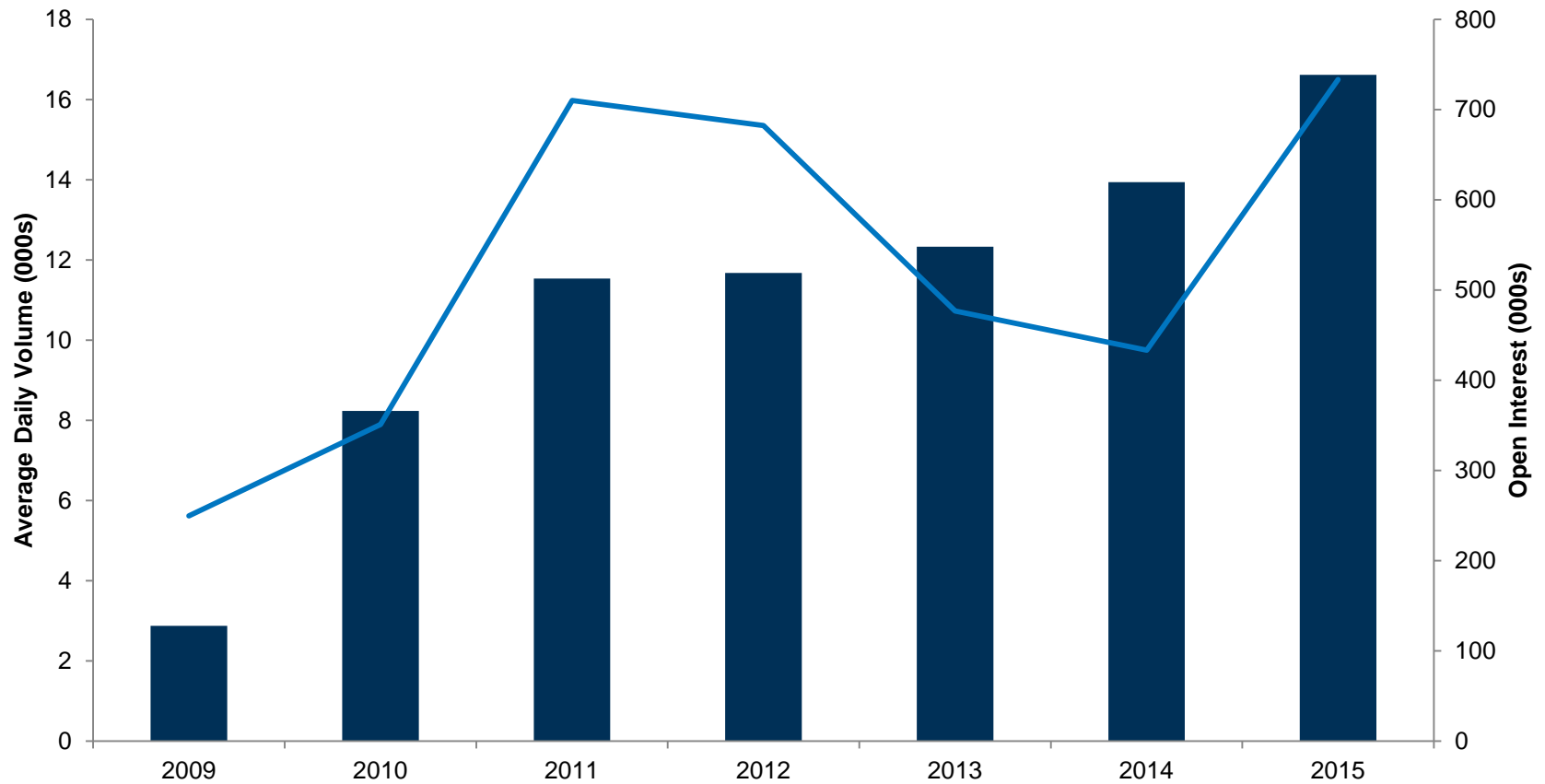
Crude Oil Spread Type



Energy Market Landscape: Crude Oil

Crude Oil Calendar Spread Options Achieved Record Volume and Open Interest in 2015

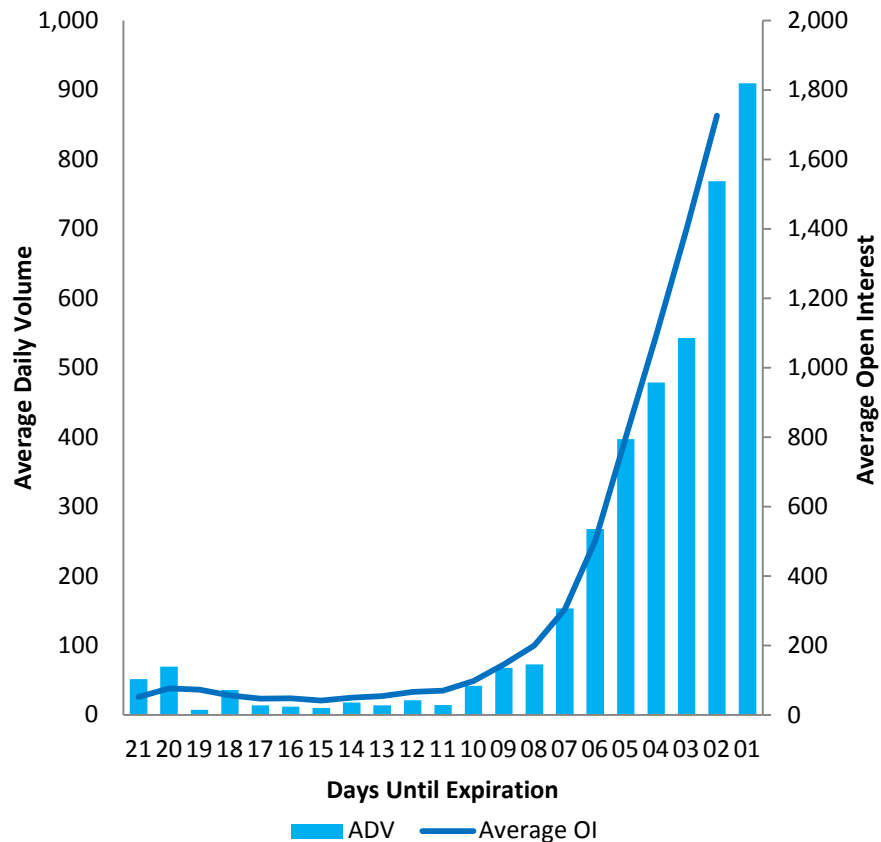
WTI 1 Month CSO (WA + 7A)



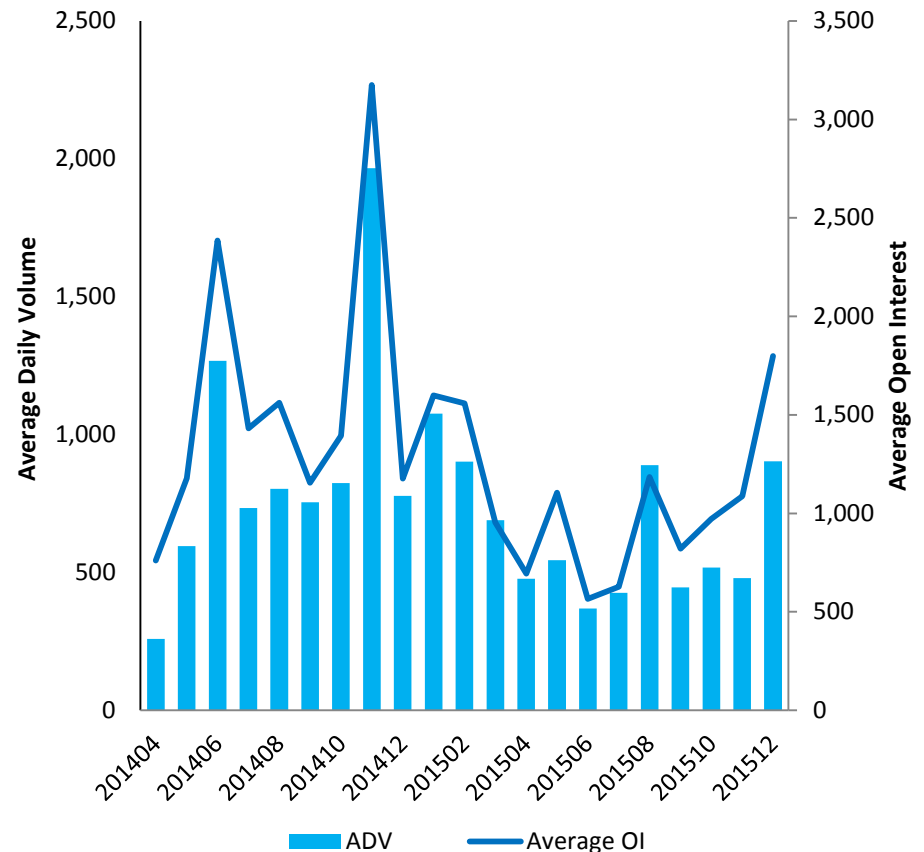
Energy Market Landscape: Crude Oil

Weekly Options Provide Flexibility to Manage Volatility Around High Impact Economic Events

Crude Oil Weekly Options - Average Daily Volume and Open Interest by Days to Expiry



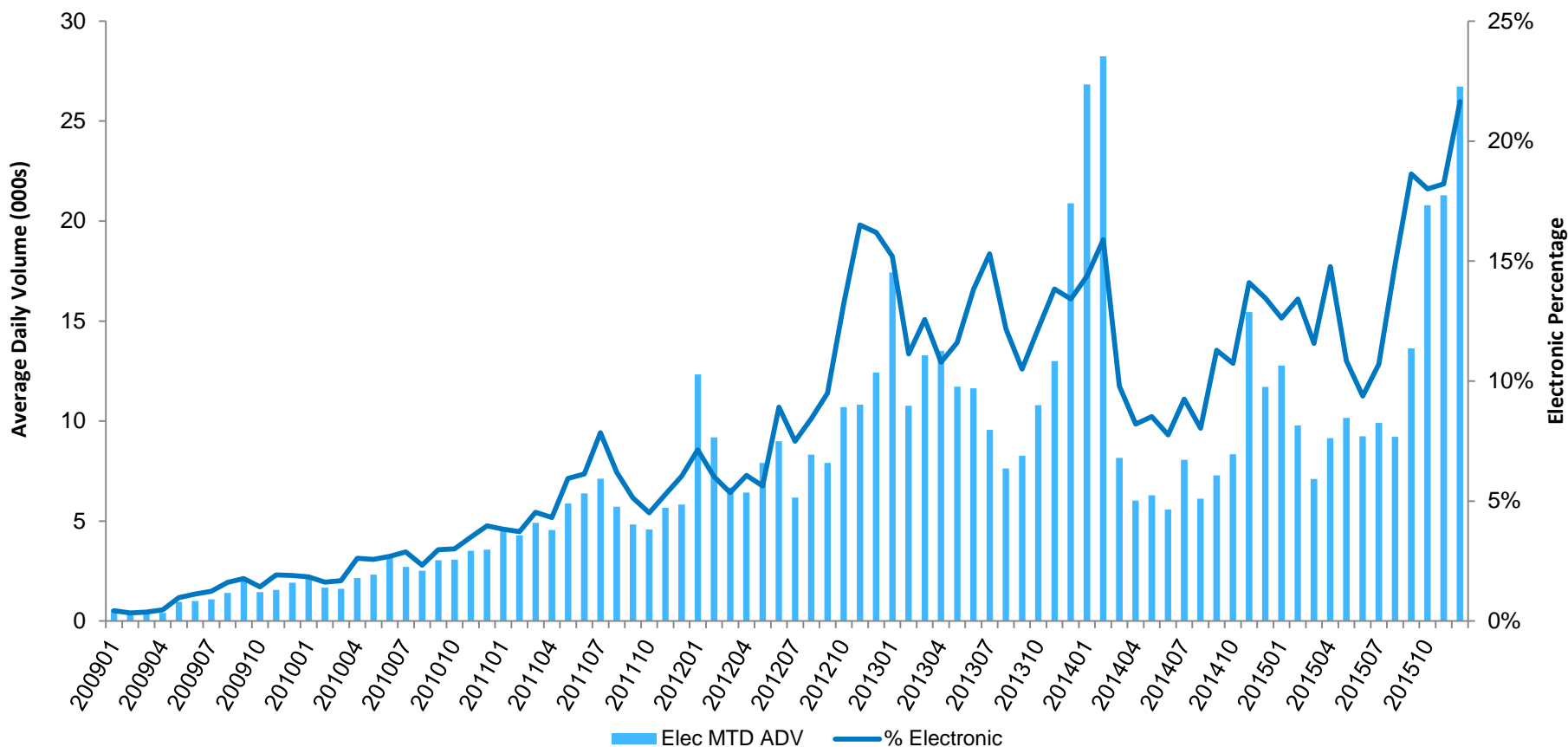
Crude Oil Weekly Options - ADV and Max OI by Month Since Launch



Energy Market Landscape: Natural Gas

Over 21% of Nat Gas Options Traded on Screen in Dec., a Record

NYMEX Natural Gas Options (LNE + ON) - Electronic Volume and Percentage

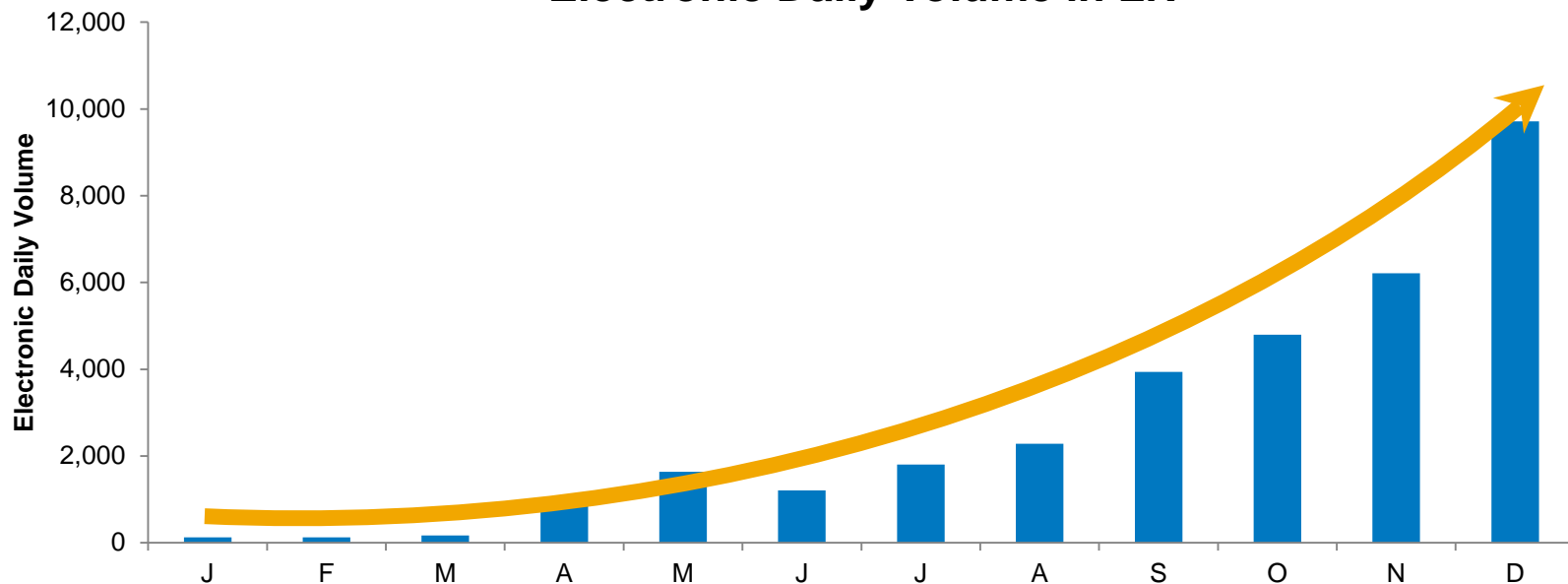


Energy Market Landscape: Natural Gas

Record Electronic Volume in Benchmark Financial Nat Gas Options

- 9,714 contracts/day of **Financial Natural Gas Options (LN)** traded on screen in December, a Record
- Over 21% of Natural Gas Options (LN + ON) traded electronically

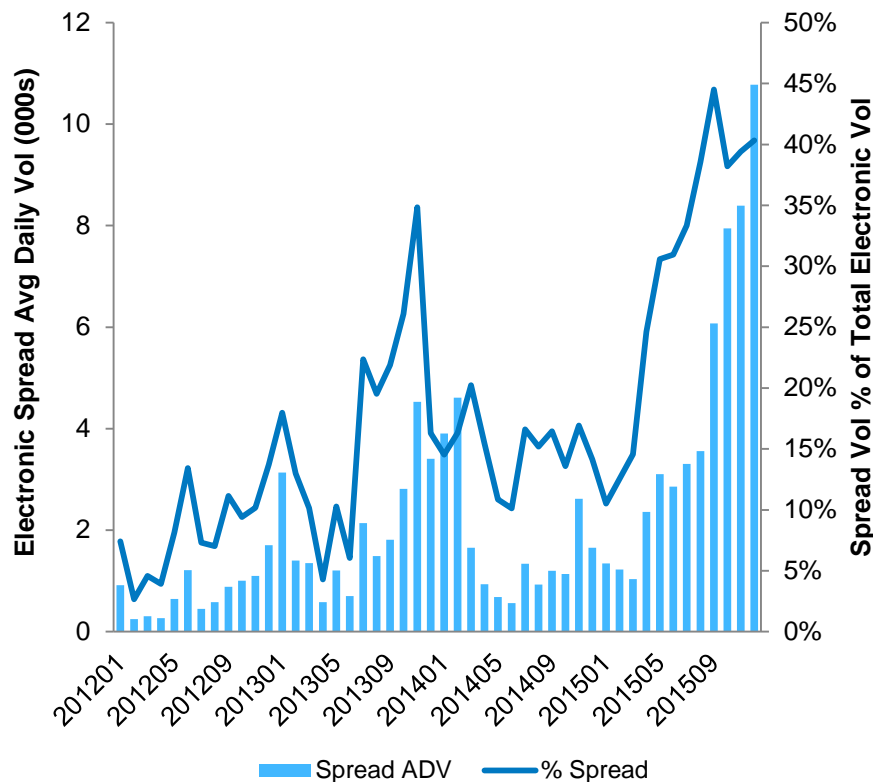
Electronic Daily Volume in LN



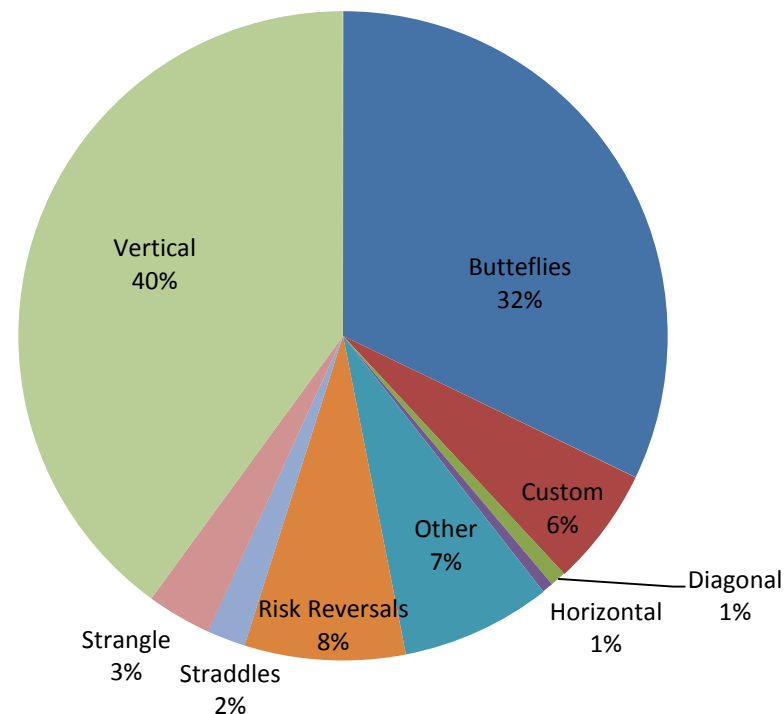
Energy Market Landscape: Natural Gas

Electronic Spread Volume >10,000 Lots/Day in Dec., a RECORD

NYMEX Nat Gas - Electronic Spread Volume



Natural Gas Spread Type



New Products: Crude Oil

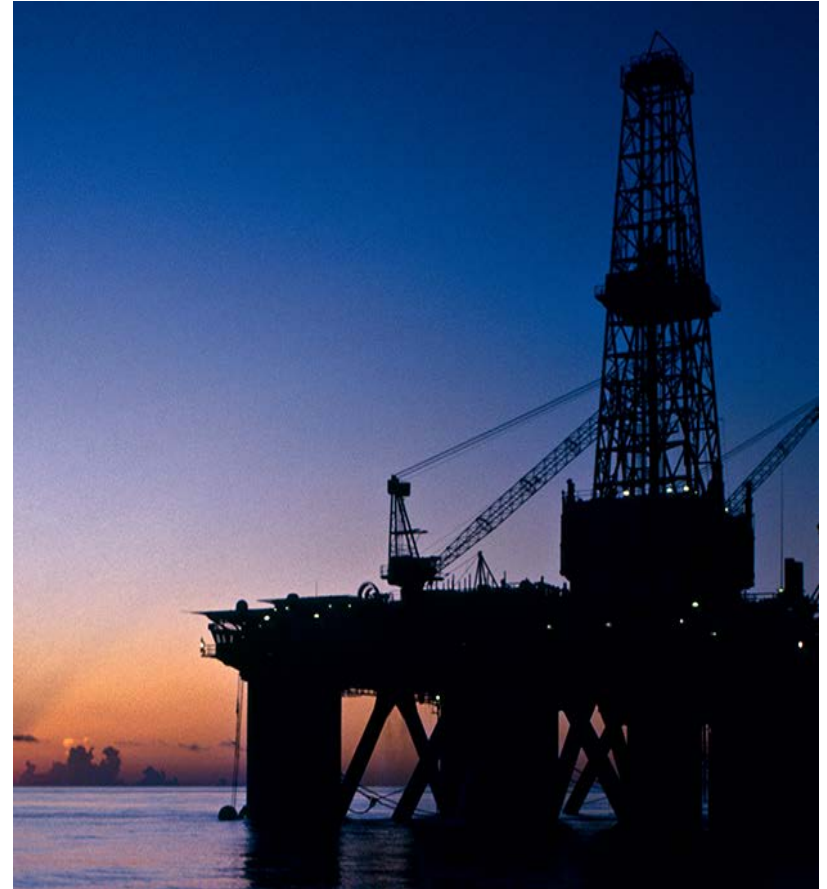
Brent Crude Oil (Futures-Style Margin) Options (BZO) Began Trading in December

BZO Specs

- Plain vanilla monthly option
- American-Style option
- Futures-style Margin
- Exercises into BZ futures

BZO is CME's First Option with Futures-Style Margin

- Futures-style margined options premium is not paid until exercise or expiration
- Margining style matches the prevailing Brent market convention

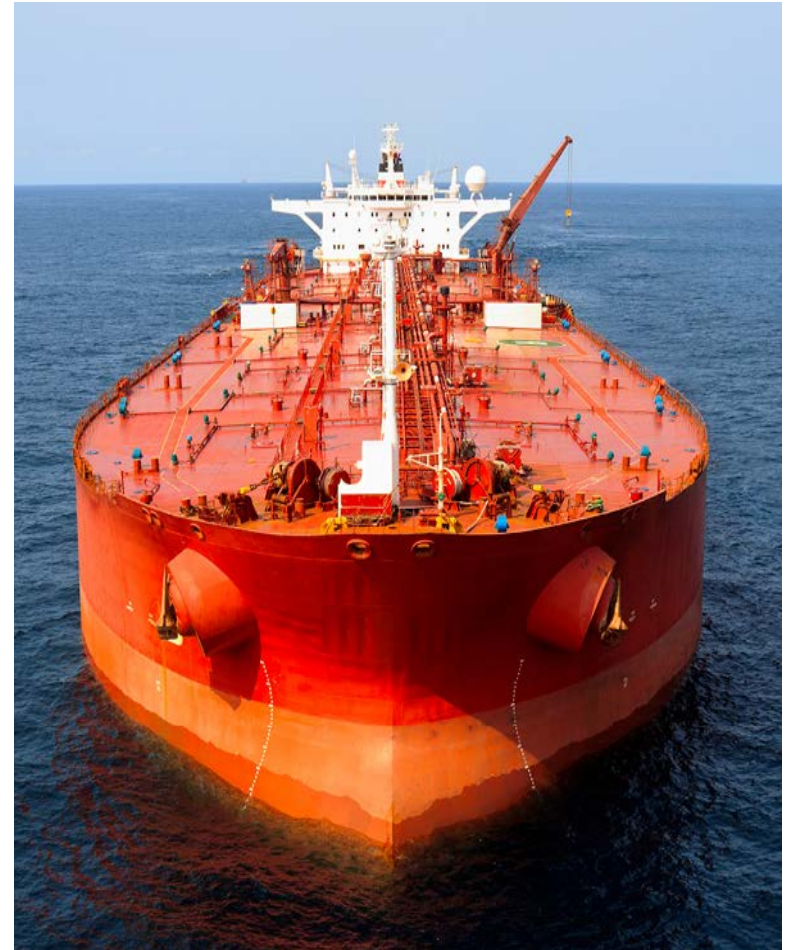


www.cmegroup.com/trading/energy/crude-oil/futures-style-brent-crude-oil-options.html

New Products: Crude Oil

NEW: Louisiana Light-Sweet Crude Oil Options Launched in Sept.

- The LLS market has been expanding in recent years, and has become a major benchmark for seaborne crude
- Three new Louisiana Light Sweet (LLS) Average Price Options launched Sept. 14
 - LLS (Argus) Crude Oil APO (XAO)
 - LLS (Argus) vs. WTI Crude Oil APO (WJO)
 - LLS (Argus) vs. Brent Crude Oil APO (LRO)
- All LLS options are European-style and financially settled



Summary of Highlights

Recapping a Record Breaking Year

Crude Oil

77% of WTI Options Traded Electronically in December, a 20% Increase Since the Beginning of 2015

Record Breaking CSO Volume, >16,600 contracts/day

NEW: Brent (Futures-Style Margin) Option (BZO) trading is strong

Natural Gas

~10,000 contracts/day of Financial Natural Gas Options (LN) traded on screen in December

Over 21% of Natural Gas Options (LN + ON) Traded Electronically in December

Over 10,000 Electronic Spreads were Sent Per Day in Natural Gas in December

