ENERGY

MANAGE EXPOSURE TO JAPAN'S LEADING POWER MARKETS

Japanese Power futures

Access the Tokyo and Kansai power markets with Japanese Power futures and options contracts on NYMEX. Choose base or peak load calendar month contracts to tailor your exposure, and potential capital efficiency of futures margins and offsets may also be available with select Energy products.

Key features:

- Regional contracts for Tokyo and Kansai areas based on JEPX prices
- Peak load definition aligned with the market practice: 8 a.m. – 8 p.m. Japan Standard Time (JST), excluding Japanese holidays and weekends
- Simple product listing: monthly contracts only
- Simple post-trade process: no cascading, no adjustment of traded prices for strips (example: quarter, winter, year)
- Easy to trade any combination of month or multi-month periods using strips of monthly contracts
- Mini price tick: 0.001 JPY/KWh to offer enhanced price granularity
- Mini block trade size: five lots

Enjoy market access and transparency:

- Submission of block trades on CME ClearPort or CME Direct by clients or enabled brokers
- Submission of block trades available during Asia hours for instantaneous posting on CME Clearing.
- CME Global Command Center (GCC) is available to facilitate submission of block trades (facdesk@cmegroup.com) during Asia hours.
- Block trades activity available on CME blotter in real time (CMED) or with a few minutes delay (website).
- CME ClearPort and CME Direct are well-established platforms supported by CME clearing members and inter-dealing brokers.

Tokyo Base-load Options:

- Monthly Options will be based on the Tokyo Base-load futures (JBT), equivalent to the monthly average of all daily 30-minutes assessments from JEPX Day-Ahead prices
- Options contracts will be cash-settled

Collateral (margining):

- All major currencies acceptable for margining (JPY, USD…).
- To be confirmed: potential margin offset with NYMX Natural Gas futures (Platts JKM, JCC)

Contract specifications

EAST JAPAN

	JAPANESE POWER (DAY-AHEAD) TOKYO BASE LOAD MONTH FUTURES	JAPANESE POWER (DAY-AHEAD) TOKYO PEAK LOAD MONTH FUTURES
COMMODITY CODE	JBT	JPT
SETTLEMENT METHOD	Financial settlement	Financial settlement
CONTRACT UNIT	JPY/KWh	JPY/KWh
MINIMUM PRICE FLUCTUATION	0.001 JPY/KWh	0.001 JPY/KWh
CONTRACT SIZE	One MW x 24 hours x # of days in the contract month	One MW x 12 hours x # of peak days in the contract month
LISTING SCHEDULE	Monthly contracts listed for the current year and the next calendar year.	Monthly contracts listed for the current year and the next calendar year.
FIRST LISTED MONTH	March 2021	March 2021
BLOCK TRADE MINIMUM THRESHOLD	Five contracts	Five contracts
TERMINATION OF TRADING	The Japanese business day prior to the last day of the current contract month.	The Japanese business day prior to the last day of the current contract month.
SETTLEMENT PERIOD AND FLOATING PRICE	The floating price for each contract month is equal to the arithmetic average of JEPX Spot Market (Day-Ahead) for the Tokyo Area Base load 30 minutes prices (0:00~24:00) for each calendar day during the contract month.	The floating price for each contract month is equal to the arithmetic average of JEPX Spot Market (Day-Ahead) for the Tokyo Area Peak load 30 minutes prices (from 08:00 to 20:00) for each week day (Mon-Fri) during the contract month not defined as Japanese national or bank holidays.

WEST JAPAN

	JAPANESE POWER (DAY-AHEAD) KANSAI BASE LOAD MONTH FUTURES	JAPANESE POWER (DAY-AHEAD) KANSAI PEAK LOAD MONTH FUTURES
COMMODITY CODE	JBK	JPK
SETTLEMENT METHOD	Financial settlement	Financial settlement
CONTRACT UNIT	JPY/KWh	JPY/KWh
MINIMUM PRICE FLUCTUATION	0.001 JPY/KWh	0.001 JPY/KWh
CONTRACT SIZE	One MW x 24 hours x # of days in the contract month	One MW x 12 hours x # of peak days in the contract month
LISTING SCHEDULE	Monthly contracts listed for the current year and the next calendar year.	Monthly contracts listed for the current year and the next calendar year.
FIRST LISTED MONTH	March 2021	March 2021
BLOCK TRADE MINIMUM THRESHOLD	Five contracts	Five contracts
TERMINATION OF TRADING	The Japanese business day prior to the last day of the current contract month.	The Japanese business day prior to the last day of the current contract month.
SETTLEMENT PERIOD AND FLOATING PRICE	The floating price for each contract month is equal to the arithmetic average of JEPX Spot Market (Day-Ahead) for the Kansai Area Base load 30 minutes prices (0:00~24:00) for each calendar day during the contract month.	The floating price for each contract month is equal to the arithmetic average of JEPX Spot Market (Day-Ahead) for the Kansai Area Peak load 30 minutes prices (from 08:00 to 20:00) for each week day (Mon-Fri) during the contract month not defined as Japanese national or bank holidays.

Contract specifications

	JAPANESE POWER (DAY-AHEAD) TOKYO BASE LOAD AVERAGE PRICE OPTIONS
COMMODITY CODE	JTO
SETTLEMENT METHOD	Financial settlement
EXERCISE STYLE	European
CONTRACT UNIT	JPY/KWh
MINIMUM PRICE FLUCTUATION	0.001 JPY/KWh
CONTRACT SIZE	One MW x 24 hours x # of days in the contract month
LISTING SCHEDULE	Monthly contracts listed for 24 consecutive months
FIRST LISTED MONTH	November 2021
BLOCK TRADE MINIMUM THRESHOLD	Five contracts
STRIKE INCREMENT	0.01 Yen per KWh
STRIKE LISTING RULE	Dynamic Strike Only
TERMINATION OF TRADING	The Japanese business day prior to the last day of the current contract month. If such day is not an Exchange business day, trading shall terminate on the preceding Exchange business day.
SETTLEMENT PERIOD AND FLOATING PRICE	On expiration of a call option, the value will be the difference between the final settlement price of the contract month of the underlying Japanese Power (Day-Ahead) Tokyo Base-Load Monthly futures contract and the strike price multiplied by the contract quantity, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the final settlement price of the contract month of the underlying Japanese Power (Day-Ahead) Tokyo Base-Load Monthly futures contract multiplied by contract quantity, or zero, whichever is greater.
SETTLEMENT STYLE	Futures style (premium paid on expiry/exercise)
CONTRARY INSTRUCTION	No (auto exercise)
ATM CHARACTERISTICS	Exercise calls, exercise puts
PRICING MODEL	Curran

How these contracts are accessed

Contact japanpower@cmegroup.com or any of the inter-dealer brokers (IDBs) that service this market and they will guide you along.

Step 1: Register on CME ClearPort

Step 2: Appoint an inter-dealer broker (IDB) that services this market

Step 3: Request your CME Group clearing firm to permission your chosen IDB for trade submission

Visit our website for more information on getting set up to trade the contract on CME Globex and/or as a block trade on CME ClearPort.

To learn more about Japanese Power futures offered by CME Group, visit cmegroup.com/japan-power

cmegroup.com

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