

FAQ: Physical Aluminum Futures contract

What is the contract symbol for the physical Aluminum Futures contract?

The contract symbol is ALI.

What are the benefits of this new contract to the individual?

- » Physically delivered monthly futures contract
- » True intraday price and spread transparency across the futures' curve
- » Security through centralized clearing, guaranteed counterparty credit and segregation of customer funds through CME Clearing
- » Easily accessible electronic execution
- » Streamlined delivery process
- » Daily mark-to-market of positions

What are the contract specifications?

The contract size for the physical Aluminum Futures contract is 25 metric tons. The contract is priced in US dollars per metric ton. The contract is listed for trading on CME Globex and via CME Direct, and for clearing through CME ClearPort. Contract will be listed 24 consecutive months on CME Globex and 60 consecutive months (5 years) on CME ClearPort. Minimum price fluctuation is \$0.25 (value per tick is \$6.25). Delivery locations are in the United States. For more information about the contract specifications, visit cmegroup.com/aluminum.

Why has CME Group launched this new contract?

Midwest premiums have rapidly increased and added volatility to the aluminum market. This makes it difficult for consumers to mitigate their entire price exposure. This contract will provide better price transparency in what has historically been a very opaque market. Our contract is a monthly futures contract which is physically settled, ensuring price convergence between the cash and futures markets. CME Clearing has over a century of experience in mitigating counterparty risk. This new benchmark will serve as the price reference for the North American aluminum industry and allow participants to better manage their price risk.

Who can use this contract?

The contract is most relevant to North American aluminum market participants across the supply chain, including miners, producers, distributors, merchants, traders, end users and banks. Physically settled contracts are a preferred hedging tool by commercial users in the aluminum industry. Investors and liquidity providers may also use this contract as arbitrage opportunities or to manage price exposure.

How do I trade the contract?

ALI will be available to trade on CME Globex and via CME Direct, CME Group's free front end trading platform for accessing CME Group markets. CME Globex operates as a Central Limit Order Book, or CLOB. ALI will also be available for clearing on CME ClearPort for privately negotiated trades.

What are CME Globex and CME Direct?

The CME Globex platform was the first - and remains among the fastest-global electronic trading systems for futures and options. Through its advanced functionality, high reliability and global connectivity, it is now the world's premier electronic marketplace for derivatives. To learn more about CME Globex, visit www.cmegroup.com/globex.

Delivered securely across the Internet, CME Direct is a highly configurable trading front end for CME Group markets that offers a complete suite of solutions across the trading lifecycle. To learn more about CME Direct, CME Group's free trading front end, visit www.cmegroup.com/direct.

What is CME ClearPort?

CME ClearPort is a comprehensive set of flexible clearing services for the over-the-counter (OTC) market. Launched in 2002 to provide centralized clearing services and mitigate risk in the energy marketplace, CME ClearPort today serves as a gateway for a diverse slate of asset class transactions submitted for clearing. With OTC clearing through CME ClearPort, you can continue to negotiate your own prices privately and conduct business off exchange – but you gain increased security and efficiency.

To register for clearing through CME ClearPort, you must establish an account with a COMEX Clearing Member and complete the Exchange User License Agreement (EULA) available at www.cmegroup.com/clearport.

Once you have received your username and password, contact your Clearing Member Firm and request that your clearing account be added to RAV (Risk Allocation Value) Manager. For more information about clearing member firms, please visit www.cmegroup.com/tools-information/clearing-firms.html.

How do I find out more about ALI?

For more information about ALI, please visit www.cmegroup.com/aluminum, or contact:

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