

FREQUENTLY ASKED QUESTIONS

COMEX Copper TAM

What is it?

- "TAM" stands for "trading at marker". This new marker price has been established for COMEX Copper Futures to create a reference price for the European time zone.
- TAM is a new transaction which allows market participants to trade at this price. It is similar in operation to the COMEX Copper TAS, i.e. Trade at Settlement.
- The Marker Price is a new reference price for COMEX Copper Futures for the European time zone, called the "COMEX Copper London Marker price". It is published every business day at 12:35 p.m. London time.

Copper TAM		
Marker Name	TAM Code	Calculation Period
Copper London Marker	HGF	12:34 p.m. - 12:35 p.m. London Time

What is the underlying contract?

- Trading at Marker is eligible in the first active COMEX Copper Futures contract month (March, May, July, September, and December).

Contract becomes spot (delivery month)	Contract months become TAM eligible
March	May
May	July
July	September
September	December
December	March

- The current active contract month ceases to be TAM-eligible when it becomes the spot month, which occurs on the second to last business day of the calendar month preceding the contract month. The next active contract month becomes TAM-eligible on that date

How the price is calculated?

- The COMEX Copper London Marker price will be calculated from the volume weighted average of trades in the Copper Futures active month from CME Globex for a one-minute time span from 12:34 p.m. – 12:35 p.m. London time. Should no trades occur during this period, the Copper TAM price shall be calculated based on bids and offers quoted during the one-minute period

Where can I trade it?

- Copper TAM is listed to trade on CME Globex, a global electronic trading system, which accounts for 98% of COMEX Copper Futures volume.
- Copper TAM transactions can also be bilaterally agreed as a block trade and cleared via CME ClearPort.

How do I place a TAM order on CME Globex?

- For COMEX Copper Futures, the minimum price fluctuation or tick size is \$0.0005 per pound.
- A trader seeking to lock in Copper TAM price before it has been determined may enter any of the following TAM prices up until 12:34:59 p.m. London time:
 - Any market participant may bid or offer Copper TAM at zero ticks to secure a trade at the Marker price at no additional costs (CME trading and clearing fees apply).
 - A buyer may bid (or a seller may offer) Copper TAM up to 10 ticks above (or below) the Marker price to incentivise the other side of the trade.

How can larger Copper TAM trades be booked and cleared?

- Larger deals can be bilaterally negotiated between the counterparties off-exchange then booked as a block trade and cleared via CME ClearPort.
- The minimum block size is 20 contracts (~226.8 mt).

Why is Copper TAM relevant?

- Copper TAM is a complementary mechanism to secure a liquid and transparent reference price established at 12.35 p.m. London time at open and transparent market place anyone can participate in.
- Copper TAM can be used to hedge the average monthly price.
- Producers and Consumers in EMEA and Asia may use Copper TAM to build forward contracts that lock in a trade at marker price established in London hours.
- Copper TAM could be used by to execute various arbitrage strategies.

Is a trade in Copper TAM different to a trade in COMEX Copper Futures?

- No, it is not. Copper TAM transaction allows market participants to trade in the COMEX Copper Futures contract at the London Marker Price, plus or minus the transaction price of the TAM trade. Once the London Marker Price is established, Copper TAM trades are resolved into positions in the COMEX Copper Futures contract.

If you would like to know more information or if you would like to speak to us, please email metals@cmegroup.com



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