

COMEX ON CME GLOBEX®



GOLD

SILVER

COPPER

ALUMINUM

PLATINUM

PALLADIUM

ZINC



VISION IS OUR GREATEST COMMODITY™



COMEX ON CME GLOBEX®

A major expansion of the precious and base metals futures markets on the New York Mercantile Exchange, Inc. makes the benchmark COMEX and NYMEX contracts available for nearly round-the-clock trading.

The Exchange, the largest physical commodity futures exchange, provides market participants with a transparent, liquid and financially secure trading forum.

Through a technology services agreement with the Chicago Mercantile Exchange, NYMEX also lists a slate of metals futures contracts on the CME Globex® electronic trading system, with its worldwide electronic access.

Market participants must have an account with a clearing member of the Exchange in order to have trades in NYMEX® or COMEX® contracts executed either on the floor or on CME Globex.

Counterparty credit risk is mitigated on the New York Mercantile Exchange since all trades are cleared through the Exchange clearinghouse which becomes the ultimate counterparty, acting as the “buyer to every seller” and the “seller to every buyer.” NYMEX has received and maintains an AA+ long-term counterparty credit rating from Standard & Poor’s. A list of clearing members, who represent some of the largest names in financial services, can be found at www.nymex.com.

The physically delivered COMEX futures contracts for gold (trading symbol GC), silver (SI), copper (HG), and aluminum (AL), and the NYMEX Division platinum (PL) and palladium (PA) futures contracts both can be traded by open outcry during regular daytime floor hours and by the simultaneous availability of these contracts on CME Globex. The futures contracts are also seamlessly available for trading once the floor is closed. Whether traded electronically or by open outcry, these contracts are the same, thus a position that is opened in one venue can be closed on the other.

Additionally, nine new electronically traded metals futures expand the range of market coverage.

These include:

- Half-sized COMEX miNY™ futures contracts for gold (QO), silver (QI), and copper (QC) which are settled on the basis of the corresponding physically delivered floor-traded contracts.
- The Exchange has reached out to the Asian metals markets with specially tailored precious metals contracts that are sized in grams rather than troy ounces. The new futures contracts are COMEX Asian gold (QS), 1,000 grams; NYMEX Asian platinum (QR), and NYMEX Asian palladium (QT), each 500 grams. One thousand grams is equal to 32.15 troy ounces, 500 grams is 16.07 troy

ounces. The contracts are priced in U.S. dollars and cents per gram.

- The three new cash-settled London metals futures are COMEX London aluminum (LA), 10 metric tons; COMEX London special high grade (SHG) zinc (LZ), 10 metric tons; and COMEX London copper grade A (LK) futures, five metric tons. The London contracts are priced in U.S. dollars and cents per ton.

Each business day on the New York Mercantile Exchange opens at 6:00 PM, Sundays through Thursdays, New York time, with the start of trading on CME Globex. Open outcry metals trading opens the following morning at 7:50 AM on the COMEX floor and electronic trading continues, running alongside open outcry. When open outcry metals trading finally closes at 1:30 PM, electronic trading seamlessly continues until the business day ends at 5:15 PM, New York time, Mondays through Fridays.

The termination of trading in the spot month of the physically delivered contracts, the COMEX metals futures, and the Asian metals futures occurs on CME Globex simultaneous to the close of spot month trading on the floor. Trading in all other contract months on that day continues until 5:15 PM. Trading in the spot month of the COMEX London base metals futures contracts terminates at 5:15 PM, New

York time on the last trading day, which is the Friday before the third Wednesday of each month. The final settlement price in spot month contract is determined on the Monday following the last trading day.

While each trading day ends at 5:15 PM, the daily settlement prices for the physically delivered futures contracts and the financially settled COMEX Asia, COMEX miNY metals futures contracts are determined following the close of floor trading.

COMMODITY PRICE RISK MANAGEMENT

The need to manage commodity price risk is well recognized, particularly after approximately three decades of often high volatility in the metals markets. Market transparency, liquidity, and financial integrity are just as vital now as when the New York Mercantile Exchange, Inc. was founded in 1872 by a group of dairy merchants endeavoring to bring order to the chaotic markets of the day. Today, the Exchange is one of the world's premier trading forums for metals and energy.

LIQUIDITY AND TRANSPARENCY PROVIDE INTEGRITY

The effort to offset price risk however, can incur other risks that can be even more insidious – such as market illiquidity and counterparty credit risk. The failure of major financial houses on Wall Street and in London during the past decade and a half, and the collapse of an iconic energy trader in Houston shows that counterparty risk is not limited to smaller trading partners. The versatile futures and options contracts offered for trading on the New York Mercantile Exchange stand out as the principal risk management instruments for the underlying products.

The transparency of the market data generated by the Exchange gives market participants worldwide the confidence to use the prices determined on the Exchange as benchmarks for the underlying commodities because:

- Transaction prices are continuously reported during the trading day.
- Trading volume and open interest are reported daily.
- Physical metals deliveries made in satisfaction of the futures contracts and inventories are reported daily.

- Since the core metals contracts are physical delivery contracts, futures prices must converge with cash market prices upon the termination of trading in the spot month contract.
- If cash and futures prices are out of line, arbitrageurs will quickly bring them into alignment.

PHYSICAL DELIVERY

The physically delivered futures contracts that trade on CME Globex provide for delivery of the following:

- 100 troy ounces of gold.
- 5,000 troy ounces of silver.
- 50 troy ounces of platinum.
- 100 troy ounces of palladium.
- 25,000 pounds of copper.
- 44,000 pounds of aluminum.

Metals deliveries are made at Exchange licensed precious metals depositories or copper and aluminum warehouses.

AVAILABLE SPREADS

CME Globex offers a basic implied functionality for calendar spreads for metals. Traders should ensure that the display of CME Globex-operated implieds is activated in their front-end software.

REAL-TIME QUOTES

Free real-time quotes are now available for the NYMEX and COMEX futures trading on CME Globex.

Products include platinum, and palladium futures; COMEX gold, silver, copper, and aluminum futures; COMEX miNY gold, silver, and copper futures; COMEX London aluminum, copper, and zinc futures; and COMEX Asia gold, platinum, and palladium futures.

With this resource you can view:

- Cash settled and physically settled quotes and spreads going out six months.
- Outright market data – bids/asks five deep.
- Calendar spreads corresponding to the outrights displayed - limited to the six months.
- Total contract volume for New York Mercantile Exchange futures on CME Globex.

To view the quotes, visit:

<http://www.cme.com/trading/dta/datasuite.html> or
<http://nymexdatardc.cme.com/index.html>
(Requires Adobe Flash Player).

FOR MORE INFORMATION

For further product or market data information, contact:

NYMEX marketing at (212) 299-2301 or
NYMEX customer service at (800) 438-8616.

For more information on CME Globex, contact a CME Globex account manager at (312) 634-8700 or, in Europe, at (44) 207-623-2550.

You can also visit www.nymexoncmeglobex.com.

The integrity of these markets is assured through a proactive system of trade, market, and financial surveillance. All market participants, without exception, post a performance bond called margin. Market participants are also subject to limitations on the number of open positions they may hold to ensure that no entity assumes an obligation that is either beyond his capability to fulfill or allows him to exert an undue influence on the market.

CLEARING FOR ALL TRANSACTIONS OFFERS FINANCIAL PROTECTION

All transactions on the Exchange are processed through its clearinghouse which mitigates counterparty credit risk by ultimately acting as the buyer to every seller and the seller to every buyer. Transactions are

backed by an extensive financial safety net including a guarantee fund of approximately \$200 million and a \$115 million default insurance policy. For the last several years, NYMEX Holdings, Inc., the parent company of the Exchange, has received and maintained an AA+ long term counterparty credit rating from Standard and Poor's. A list of the Exchange clearing members can be found on its website, www.nymex.com

FREQUENTLY ASKED QUESTIONS

Q: WHAT IS THE SLATE OF NEW YORK MERCANTILE EXCHANGE METALS FUTURES CONTRACTS AVAILABLE FOR TRADING ON CME GLOBEX?

A: The following physically delivered metals futures contracts are offered for trading virtually 24 hours a day on the CME Globex electronic trading system: COMEX gold (GC), silver (SI), copper (HG), aluminum (AL); and the NYMEX platinum (PL) and palladium (PA) futures contracts.

Also available are financially settled COMEX miNY half-sized futures contracts for gold (QO), silver (QI), and copper (QC).

Also, the financially settled COMEX Asian gold (QS), 1,000 grams; NYMEX Asian platinum (QR), and NYMEX Asian palladium (QT), each 500 grams. One thousand grams is equal to 32.15 troy ounces, 500 grams is 16.07 troy ounces. COMEX London aluminum (LA), 10 metric tons; COMEX London special high grade zinc (LZ), 10 metric tons; and COMEX London copper grade A (LK) futures, five metric tons.

The full product slate is available at: www.nymexoncmeglobex.com

Q: ARE THE PHYSICALLY DELIVERED CONTRACTS THAT ARE TRADED ON CME GLOBEX THE SAME AS THE CONTRACTS THAT ARE TRADED ON THE FLOOR?

A: Yes, they are the same contract. The only difference is in the trading venues (floor vs. electronic). A position can be opened in one venue and closed in the other.

Q: WHAT ARE THE TRADING HOURS?

A: All COMEX and NYMEX metals contracts offered on the CME Globex electronic trading system are available for trading from 6:00 PM Sundays through 5:15 PM Fridays, with a 45-minute break each day between 5:15 PM and 6:00 PM. All times listed are New York time.

It is important to note that on the final day of trading for spot month COMEX or NYMEX metals contracts traded on CME Globex, the close of trading occurs simultaneous to the close of regular trading hours on the floor, between 1:00 and 1:30 PM, New York time, depending on the contract. Trading in all other contract months on CME Globex continues until 5:15 PM. Trading in the spot month of the COMEX London base metals futures contracts terminates at 5:15 PM, New York time, on the last trading day, which is the Friday before the third Wednesday of each month. The final settlement price in the spot month contract is determined on the Monday following the last trading day.

Q: HOW ARE THE CONTRACTS SETTLED EACH DAY?

A: In general, the settlement of the COMEX and NYMEX metals contracts listed on CME Globex are based on the settlement prices for the physically settled contracts offered by the Exchange in the same underlying commodity. The final settlement price for the COMEX London contracts is determined on the Monday following the last trading day of those contracts.

Q: IS IT POSSIBLE TO GET A DIFFERENT BID/ASK ON THE FLOOR VS. THE ELECTRONIC SCREEN?

A: Prices are likely to be different because the floor-traded and screen-traded contracts are trading in two separate venues, creating an arbitrage opportunity, although there should not be a wide disparity between the two. Depending upon the volatility of the market, prices on one venue might move more quickly than the price quotes on the other, but the difference will not last long, and prices on the floor and the screen are likely to align.

Q: ARE CALENDAR SPREADS AVAILABLE?

A: CME Globex supports implied functionality for calendar spreads in the metals contracts. Traders should make sure that the display of the CME Globex implieds is activated in their front-end software.

Q: AM I EXPOSED TO “LEG RISK” WHEN TRADING A SPREAD? CAN I BE FILLED ON ONE LEG, BUT NOT THE OTHER?

A: In general, not if the order is entered on an Exchange-listed spread; however, that could occur if an automated spreading tool or front-end generated implied is used that requires each leg of the spread to be entered separately.

Q: WHAT IS THE STATUS OF NYMEX ACCESS®?

A: NYMEX ACCESS is no longer in use.

Q: WHAT ARE THE FEES TO TRADE THE NYMEX ON CME GLOBEX PRODUCTS?

A: All fees can be found at:
www.nymex.com/fee_sched.aspx.

Q: HOW MANY LEVELS OF DEPTH DOES CME GLOBEX DISPLAY?

A: CME Globex displays the top five limit bids and the top five limit offers.

Q: WHAT IS THE ERROR POLICY FOR ELECTRONIC TRADES?

A: The CME error trade rule (CME Rule 588 Globex Trading Cancellations), which is administered by CME staff, applies to trading of NYMEX and COMEX products and in fact has been incorporated by reference by NYMEX in NYMEX Chapter 11G. This rule is similar in substance to the NYMEX error trade approach that has been in place for trading on NYMEX electronic trading

systems. The CME rule lists the “no bust” ranges that apply for specific contracts.

A call must be placed to the CME Globex Control Center (312-456-2391) within eight minutes of the transaction to question anything related to a potential error trade.

Q: ARE INDEPENDENT SOFTWARE VENDORS (ISV) WHO PROVIDE THE “FRONT END” ENTRY TO CME GLOBEX INTERNET BASED?

A: Yes and no. Market participants can connect via the Internet or a dedicated line with most ISV applications.

Q: WHERE CAN I FIND A LIST OF CERTIFIED FRONT-END PROVIDERS?

A: The CME website has a list of certified ISVs and FCM systems:
www.cme.com/isv www.cme.com/fcm

Q: WHAT DOES MY FCM NEED TO DO IN ORDER FOR ME TO BEGIN TRADING ON CME GLOBEX?

A: You must ask your FCM to activate the NYMEX contracts in your trading application risk system. You must also have a clearing arrangement with NYMEX. All trading applications must make changes to begin receiving NYMEX market data. Please reference the Client Impact Assessment for more details at www.nymexoncmeglobex.com

Q: WILL CME CHARGE ADDITIONAL FEES?

A: No.

Q: WHO CLEARS THE NYMEX CONTRACTS LISTED ON CME GLOBEX?

A: NYMEX.

Q: FOR METALS TRADES EXECUTED AFTER 1:30 PM NEW YORK TIME AND BEFORE 5:15 PM NEW YORK TIME WHICH TRADE DATE APPLIES?

A: Trades executed between those times are considered part of the current day's trade date. The next day's trade date begins with the commencement of trading at 6 PM New York time.

ADDITIONAL QUESTIONS

For more information on products or clearing, please contact the NYMEX Marketing Department at 1-212-299-2301.

For more information on CME Globex, please contact a CME Globex Account Manager at 312-634-8700, or in Europe at +44.207.623.2550.

You can also visit www.nymexoncmeglobex.com



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