

Commodity Products Overview

Felix Carabello

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Introduction to CME Group Inc.

Largest and most diverse derivatives exchange in the world, composed of:

- CME – Chicago Mercantile Exchange
- July 2007: CBOT – Chicago Board of Trade
- August 2008: NYMEX – New York Mercantile Exchange

Economic Functions

- Price discovery
- Transfer of risk
- Price dissemination

All transactions cleared, settled, and guaranteed by the CME Clearing House

- World's largest
- 100+ years of default free performance

CME Group is self-regulated body overseen by the Commodity Futures Trading Commission

Virtual 24 hour trading on the CME Globex® electronic trading platform

Timeline History of the CME Group

Early Years

1848: CBOT creates the world's first futures exchange, based in Chicago.

1851: CBOT offers earliest of "forward contracts" ever recorded; forward contracts begin to gain popularity among merchants and processors.

1865: CBOT formalizes grain trading with the development of standardized agreements called "futures contracts", world's first such agreements.

1865: CBOT creates world's first futures clearing operation when it begins requiring performance bonds, (or margin), to be posted by buyers and sellers in its grain markets.

1870: CBOT develops first octagonal futures trading pit.

1877: Trading in CBOT grain complex (corn, oats and wheat futures) is launched.

1885: To accommodate rapid growth of futures trading, CBOT constructs a new building at LaSalle and Jackson streets, at the time Chicago's tallest building and first commercial structure with electric lights.

1898: Chicago Butter and Egg Board, predecessor of Chicago Mercantile Exchange, opens in Chicago.

Timeline History of the CME Group

- 1919: Chicago Butter and Egg Board becomes Chicago Mercantile Exchange.
- 1926: CBOT founds Board of Trade Clearing Corporation to guarantee its trades.
- 1961: CME launches first futures contract on frozen, stored meats – frozen pork bellies -- bacon.
- 1964: CME launches first agricultural futures based on non-storable commodities – live cattle futures.
- 1968: CBOT begins trading its first non-grain-related commodity, futures on iced broilers (chickens).
- 1969: CBOT begins trading its first non-grain product, silver futures.
- 1972: CME launches second^[1] financial futures contracts, offering contracts on seven foreign currencies.
- 1973: CBOT launches first exchange for trading equity options, Chicago Board Options Exchange.
- 1975: CBOT launches first interest rate futures contract, futures on the Government National Mortgage Association rates (GNMA futures).

Timeline History of the CME Group

1981: CME launches first cash-settled futures contract, Eurodollar futures.

1982: CME launches first successful stock index futures contract, S&P 500 Index futures.

1982: CBOT launches first options on futures contract -- U.S. Treasury bond futures.

1987: CME pioneers electronic futures trading with conceptualization and initial development of CME Globex electronic trading platform.

1992: First electronic futures trades are made on CME Globex platform.

1997: CME develops and launches the first mini-sized, electronic futures contract, E-mini S&P 500 futures, which expands trading past traditional trading floor hours.

1999: CME launches first weather-based futures contracts.

Timeline History of the CME Group

2000 to Present

2000: CME membership agrees to de-mutualize and become a publicly traded exchange.

2002: CME becomes first U.S. exchange to go public; stock is listed on New York Stock Exchange.

2003: CBOT moves clearing of all of its products from independent Board of Trade Clearing Corp., where it has transacted its business since 1926, to CME Clearing to add capital efficiencies for its customers.

2004: CME Globex executes the one billionth contract traded since its June 1992 launch.

2005: CBOT demutualizes and becomes publicly traded company, listed on New York Stock Exchange.

2006: CBOT and CME sign an agreement to merge into a single company pending regulatory and shareholder approval.

Timeline History of the CME Group

2000 to Present

2006: CME becomes a listed component of the Standard & Poor's 500.

July 2007: CME and CBOT officially merge to form CME Group, Inc., capping off an unfriendly takeover attempt to purchase the CBOT by Intercontinental Exchange, announced in March 2007. Though in the end CME won over shareholders, they were forced to spend substantially more than the original purchase price of approximately \$8 billion.

August 2008: Acquires the New York Mercantile Exchange (NYMEX), giving CME Group roughly 90 percent of all U.S. futures.

In An Uncertain World, We Provide Confidence

RISE ABOVE THE RISK



- Price transparency
- Anonymous matching
- Twice daily mark-to-market
- Zero debt system
- Objective valuations
- Clearing member oversight
- Segregation of customer funds
- \$7B financial safeguards system
- Industry-leading market regulation

Central Counterparty Model Advantages

Mitigation of counterparty credit risk:

- CME guarantees the performance of contracts and removes risk of counterparty default
- CME acts as the central counterparty to all transactions

Market expansion:

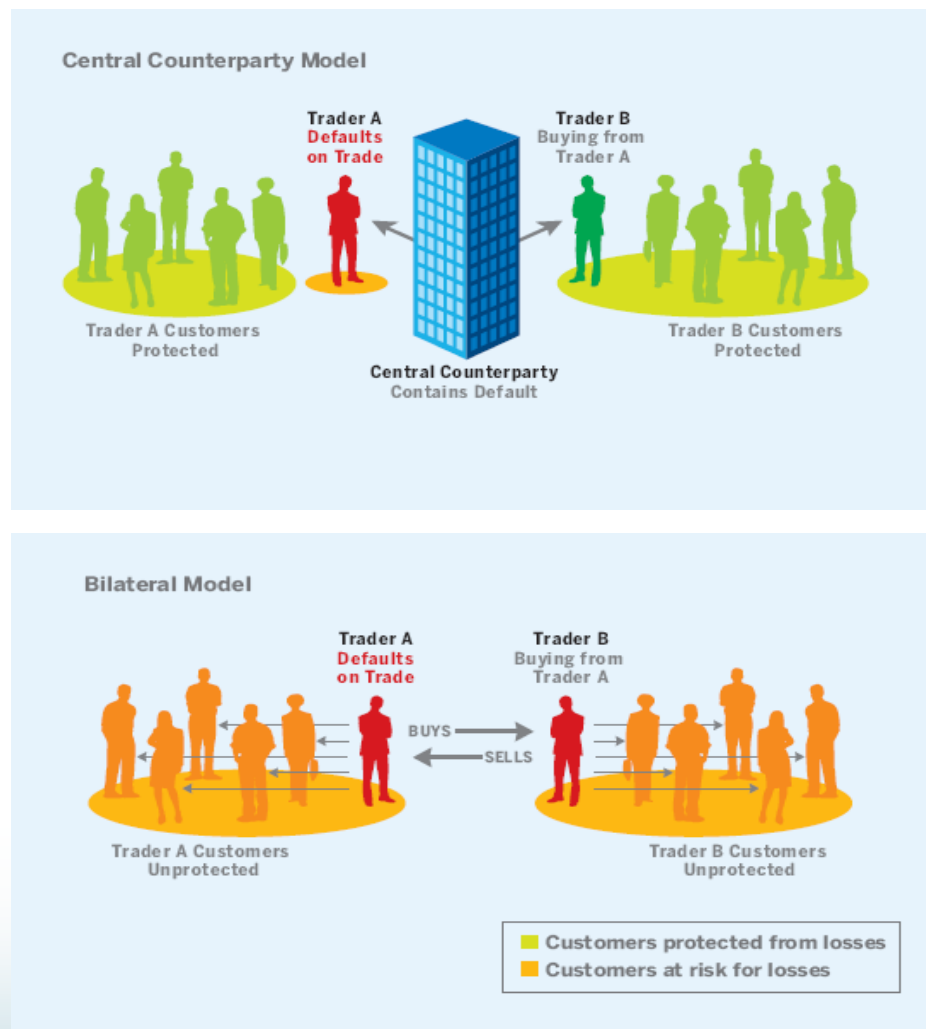
- Increases customer access to more counterparties; and opens credit lines to restore liquidity

Positions are netted:

- Offsetting trades are closed out
- Reduced capital requirements

Simplified legal structure for trade positions

Post July 2008: CME ClearPort



Alternative Investments Product Line

Weather

- U.S. Weekly Monthly and Seasonal Weather
- European Monthly and Seasonal Weather
- Asian-Pacific Monthly and Seasonal Weather
- Canadian Monthly and Seasonal Weather Frost Day Monthly and Seasonal
- Snowfall and Seasonal Snowfall
- Hurricane Seasonal, Seasonal Maximum based on CME Hurricane Index

Real Estate

- Residential Housing, based on S&P/Case-Schiller Home Price Indices
- Dow Jones U.S. Real Estate Index Futures

Energy

- Ethanol
- Ethanol Forward Month Swaps (OTC)
- Ethanol Basis Swaps (OTC)

Commodity Product Line

Grains and Oilseeds

- Corn Futures, Options and Swaps
- Mini-sized Corn Futures
- Oat Futures and Options
- Rough Rice Futures and Options
- Soybean Futures, Options and Swaps
- Mini-sized Soybean Futures
- Soybean Meal Futures and Options
- Soybean Oil Futures and Options
- Wheat Futures, Options and Swaps
- Mini-sized Wheat Futures
- Corn, Soybeans and Wheat Calendar Spread Options

Livestock

- Feeder Cattle Futures and Options
- Live Cattle Futures and Options
- Lean Hogs Futures and Options
- Frozen Pork Bellies Futures and Options

Commodity Indices

- Dow Jones AIG (UBS) Excess Return Futures
- S&P GSCI Futures and Options
- S&P GSCI Excess Return Index Futures and Swaps

Who Uses Our Contracts

Commercial Participants/Hedgers

- Farmers, producers, Ag/energy commercials, reinsurance companies
- Cooperatives
- Manufacturers, processors
- Food and restaurant companies, wholesalers
- Refiners, distillers, blenders, oil companies

Speculators

- Individual investors, risk management professionals
- Commodity funds (index, hedge, etc.), managed money
- Banks (Ag/energy lenders), financial institutions

Partners

- Voice brokers, floor brokers, IBs, swap dealers
- Clearing firms
- Traders (electronic, open outcry, etc.)

Commercial Hedgers Use Futures and Options to:

Lock in or cap input and operational costs

Protect inventory

Offer customers fixed price contracts

Reduce risk of regular seasonal moves

Minimize damage from long-term cyclical moves

Cover losses from forward pricing

Control risks in other parts of business

Capture windfall pricing opportunities

Factors Affecting Commodity Prices

Basic supply and demand principles

- Weather affecting production
- Geopolitical events affecting demand
- Capacity/ production increases/decrease
- Limited additional farmland in the short run
- Growing demand from developing countries
- Continuously changing and restrictive import/export policies from major customers
- Volatile U.S. Dollar

CME Group's commodity products serve as the global price benchmark

CME Group volume is a large multiple of world production

Price Volatilities

Yearly Averages

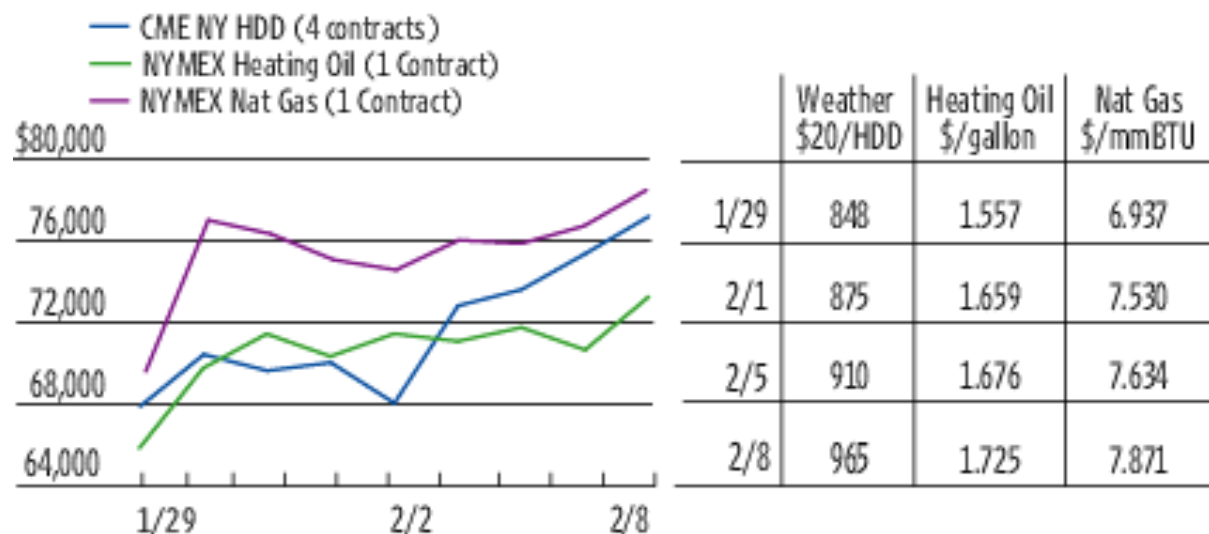
Commodity	1980 – 2009* Grains			2007	2008	2009*
	2003 – 2009* Livestock		Avg			
	Hi	Lo				
Soybeans	60.0%	5.2%	20.3%	21.7%	38.4%	36.2%
Soybean Meal	64.9%	6.3%	21.4%	25.6%	40.4%	35.1%
Corn	63.9%	5.6%	19.5%	31.4%	41.3%	39.1%
Live Cattle	41.0%	8.5%	18.3%	15.0%	16.1%	18.5%
Lean Hogs	70.1%	10.8%	29.1%	24.6%	34.5%	25.6%

Volatility is measurement of the change in price over a period of time. Historical Volatility is expressed as a percentage and is calculated by taking the standard deviation of the log-differences of the daily settlement prices of the underlying commodity over the course of the month. The result is multiplied by the square root of 252 (the number of trading days in a year).

*As of May 20, 2009.

CME Group Weather is Becoming Institutionalized

Bitter cold continuing in the Midwest and Northeast is the force driving energy traders to buy oil and natural gas, pushing these markets higher. Weather traders at CME are using the cold forecast data to exert upward pressure on heating degree day contracts. One NYMEX oil or gas contract is worth about four HDD futures pegged to daily temperatures recorded at the LaGuardia Airport station in New York.



¹⁶ For information about CME Weather products please visit www.cme.com/weather.

OTC Swap Contracts

Used like futures, to mitigate price risk; complementary in risk management

Financially settled (do not involve physical delivery), standardized contracts

Negotiated over-the-counter (OTC), often off-exchange:

- Directly: agreement between market participants
- Indirectly (for anonymity): with the help of a broker or swap dealer
- Reference for marking and valuing OTC positions

Buyer and seller can privately negotiate the swaps

- Contract terms are flexible (agreed by the two parties), allowing customization

Swap network used to identify and locate counterparties

- Voice brokers
- Instant messaging (IM) network

Cash-settlement: lump-sum payment at expiration

Settlement prices sent over ticker, displayed around the world

CME Group Resources

CME Group website: www.cmegroup.com

Types of information:

- Current market and exchange information
- Contract information
- Educational material: publications, tutorials, webinars
- Rules and regulations
- Trading information: margin, fees, price limits, position limits etc.
- Statistical reports

Free newsletters:

- Commodity News for Tomorrow
- Daily Livestock Report
- Daily Dairy Report
- Ethanol Outlook Report

Contact Information

Felix Carabello

Felix.Carabello@cmegroup.com

312-634-1585

Tom Holleran

Tom.Holleran@cmegroup.com

212-299-2366

Angie DiCarlo

Angie.DiCarlo@cmegroup.com

312-930-4515

Christina Hanson Slimack

Christina.Hanson.Slimack@cmegroup.com

312-930-1308

Disclaimer

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

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