



# CBOT® Metals Complex

## FREQUENTLY ASKED QUESTIONS

### BACKGROUND

- 1. How long has the CBOT offered trading in precious metals?**  
The CBOT has supported precious metals trading since the 1960s.
- 2. What types of precious metal contracts are offered at the CBOT?**  
The CBOT offers Gold and Silver futures in full and mini-sized contracts. The mini-sized contracts are currently available for trading and the full-sized contracts began trading on October 6, 2004.
- 3. Why does the CBOT have both full-sized and mini-sized metals contracts?**  
It's all about customer service and the CBOT is proud of our record of offering customers a choice. The two different contract sizes will have appeal to all traders—retail, commercial and institutional traders.
- 4. Why did the CBOT launch full-sized metals contracts?**  
The Chicago Board of Trade is delivering what many customers have requested for many years—a 100% electronic precious metals marketplace.
- 5. How does the CBOT compete with other exchanges that offer precious metals contracts?**  
We are confident that the CBOT electronic trading platform offers high quality trade execution to all market participants. In other words, metals traders can trade what they want, when they want, from where they want and on a platform they prefer.

### CONTRACT DESIGN AND FEATURES

- 6. What is meant by full-sized or mini-sized contracts?**  
Full-sized Gold is 100 ounces and mini-sized Gold is 33.2 ounces  
Full-sized Silver is 5,000 ounces and mini-sized Silver is 1,000 ounces
- 7. What is the tick size for CBOT Gold futures contracts?**  
10 cents per troy ounce for Gold  
(\$10 per contract for the full-sized 100 ounce Gold futures)  
(\$3.32 per contract for the mini-sized 33.2 ounce Gold futures)
- 8. What is the tick size for CBOT Silver futures contracts?**  
10/100 of one cent per troy ounce of Silver  
(\$5 per contract for the full-sized 5,000 ounce Silver futures)  
(\$1 per contract for the mini-sized 1,000 ounce Silver futures)
- 9. What is the price basis for CBOT Gold futures?**  
All prices of Gold futures shall be basis New York, New York or basis any other location designated by the Exchange, in multiples of \$0.10 (10 cents) per fine troy ounce.
- 10. What is the price basis for CBOT Silver futures?**  
All prices of Silver futures are basis New York, New York or basis any other location designated by the Exchange, in multiples of 10/100 of one cent per troy ounce.
- 11. How do the CBOT 100 ounce Gold and 5,000 ounce Silver futures contracts compare to the metals products that already exist?**  
The contracts are very similar to other full-size precious metals contracts in terms of contract specifications; however, the superior CBOT electronic trading platform should result in better trade execution for all customers.

**12. Are the CBOT metals physical delivery or cash settled futures contracts?**

All of the CBOT precious metals contracts are physical delivery contracts involving vault receipts.

**13. What vaults are regular for delivery on CBOT full-sized precious metals?**

HSBC Bank USA, Brinks Global Services USA, Inc., Scotia Mocatta Depository and Delaware Depository Service (silver only) are currently regular for delivery.

**14. Are the CBOT mini-sized precious metal futures contracts fungible with the new CBOT full-sized precious metals contracts?**

The CBOT contracts are not fungible given that the contracts are physically delivered.

**15. Are the CBOT precious metal futures contracts fungible with other exchanges' precious metals contracts?**

No.

**16. What gold and silver brands will be deliverable against the CBOT precious metals contracts?**

A comprehensive listing of deliverable gold and silver brands can be found on our website at [www.cbot.com](http://www.cbot.com)>About CBOT>Rules and Regulations. See appendices m14a and m15a.

**BENEFITS**

**16. What are the major benefits of the CBOT precious metals complex?**

- 100% electronic trading platform
- Speed – instant trade execution
- Superior trading functionality
- Global distribution – global recognition
- 21 continuous trading hours per day
- Market transparency – view the live metals book for free on the CBOT website
- Level playing field
- Customer choice of contract size and products
- Premier financial integrity and brand
- Straight through clearing and processing
- Competitive exchange fees

**17. What trading platform is used for trading precious metals contracts?**

CBOT Gold and Silver futures contracts are offered for trading exclusively on the globally distributed CBOT electronic trading platform, which offers enhanced spreading functionality.

**18. How do you get connected to the CBOT electronic trading platform?**

For more information on connectivity to the CBOT electronic trading platform, please call CBOT Functional Member Readiness at 312-341-7922 or send an email to [fmr@cbot.com](mailto:fmr@cbot.com). There is additional information including the direct connection package on our website at [www.cbot.com](http://www.cbot.com)>About CBOT>Electronic Trading>Members & Firms>Get Connected!

**19. What is meant by market transparency?**

It is the trader's ability to see the market: bids, offers and quantities. Traders on the CBOT electronic trading platform can see the entire market book. Customers can also view the live metals market book for free on the CBOT website – [www.cbot.com/metals](http://www.cbot.com/metals).

**20. What is meant by the CBOT 100% electronic precious metals marketplace?**

There is one continuous 21-hour electronic trading session for CBOT Gold and Silver futures. Trading begins at 7:16 p.m. (Central Time) and ends at 4:00 p.m. (Central Time), Sunday through Friday.

**21. Who is expected to trade these contracts?**

By offering these contracts on the CBOT electronic trading platform, they should appeal to virtually all hedge and speculative traders including: retail, institutional, commercial, proprietary trading operations, trading arcades, commodity trading advisors, hedge fund advisors, commodity funds and exchange members (CBOT and others).

**Note: Full-sized Metals started trading on October 6, 2004.**

**22. What CBOT memberships are eligible to trade the CBOT precious metals futures?**

CBOT Silver and Gold futures contracts are designated as Index, Debt, and Energy Market (IDEM) contracts. Full Members, Associate Members (AM), and IDEM memberships are eligible. For more information on CBOT seat and lease prices, please contact Member Services at 312-435-3499 or send an email to [memserv@cbot.com](mailto:memserv@cbot.com). This information can also be accessed on our website at [www.cbot.com](http://www.cbot.com)>About CBOT>Memberships.

**23. What are the exchange transaction fees for CBOT's new full-sized Silver and Gold futures?**

For full-sized Silver and Gold futures, the CBOT transaction fees are as follows:

Level 1: One member trading for a member-owned account on an individual or firm owned seat is \$0.05 per side.

Level 2: Non-member trading for an individual member's or member-firm's proprietary account is \$0.60 per side.

Level 3: Non-member's account is \$1.00 per side.

The CBOT's complete transaction fee schedule is available on-line at [www.cbot.com](http://www.cbot.com)>Clearing>Transaction Fees. For questions regarding exchange and clearing fees, please contact 312-341-5989 or 312-435-3486.

**24. What are the position limits for CBOT 100 ounce Gold and CBOT 5,000 Silver?**

For CBOT Gold, the position limits are 3,000 contracts in the spot month; 6,000 contracts in a single month; and 6,000 contracts in all months combined.

For CBOT Silver, the position limits are 1,500 contracts in the spot month; 6,000 contracts in a single month, and 6,000 contracts in all months combined.

**25. How does the CBOT provide market liquidity in the metals contracts?**

The CBOT currently uses an electronic market maker program for the mini-sized metals. A market maker is obligated to provide tight bid-offer spreads for specified quantities. For the full-sized Gold and Silver futures contracts, the CBOT also uses an electronic market maker program with multiple market makers, all competing with each other, which in turn, should provide efficient, deep markets for our customers.

**26. Does the CBOT offer spread margin breaks for precious metal spreads?**

The CBOT offers 100% spread credit for CBOT full-sized Gold versus CBOT mini-sized Gold spreads and for CBOT full-sized Silver versus CBOT mini-sized Silver spreads. Additionally, the CBOT offers spread credits for some inter-exchange spreads. Visit [www.cbot.com](http://www.cbot.com)>Clearing>Margins for the current spread credits.

**27. Are Exchange-for-Physical (EFP) transactions allowed in CBOT Gold and Silver?**

Yes, traditional and transitory EFP transactions are allowed in CBOT Gold and Silver. The CBOT is offering a fee waiver on all precious metals EFP transactions through December 31, 2004.

**LAUNCH DETAILS**

**28. When did the CBOT launch 100 ounce Gold and 5,000 ounce Silver futures?**

Launch day was October 6, 2004.

**29. What are the market hours for the CBOT precious metals contracts?**

All of the CBOT precious Metals are offered from 7:16 p.m. to 4:00 p.m. (Central Time), Sunday through Friday.

**30. What are the CBOT ticker symbols for the CBOT precious metals contracts?**

ZG for the full-sized 100 ounce Gold futures

YG for the mini-sized 33.2 ounce Gold futures

ZI for the full-sized 5,000 ounce Silver futures

YI for the mini-sized 1,000 ounce Silver futures

**31. What contract months are available for trading the 100 ounce Gold futures?**

First 3 consecutive months; 2 full annual cycles of Feb, Apr, Jun, Aug, Oct & Dec; 3 additional Jun/Dec cycles.

**32. What contract months are available for trading 5,000 ounce Silver futures?**

First 3 consecutive months; 2 full annual cycles of Jan, Mar, May, Jul, Sep & Dec; 3 additional Jul/Dec cycles.

**Note: Full-sized Metals started trading on October 6, 2004.**



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**For more information, visit [www.cbot.com/metals](http://www.cbot.com/metals) or call 312-341-7955.**

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