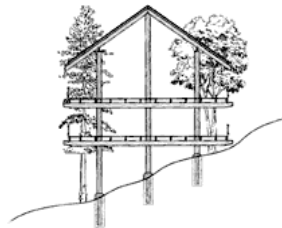




# **FINANCIAL MARKET STRUCTURE**

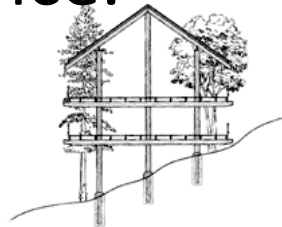
Albert Helmig  
Grey House

**CSIS MARCH 30 2017**



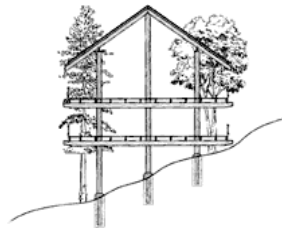
# Economic Purpose Criteria

- Futures Markets provide for RISK TRANSFER and PRICE DISCOVERY
- Transparent, Liquid , provide Guaranteed Financial Performance ( Clearing)
- Futures are Standardized contracts
- Futures expire into cash positions. Convergence.

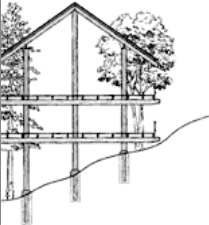
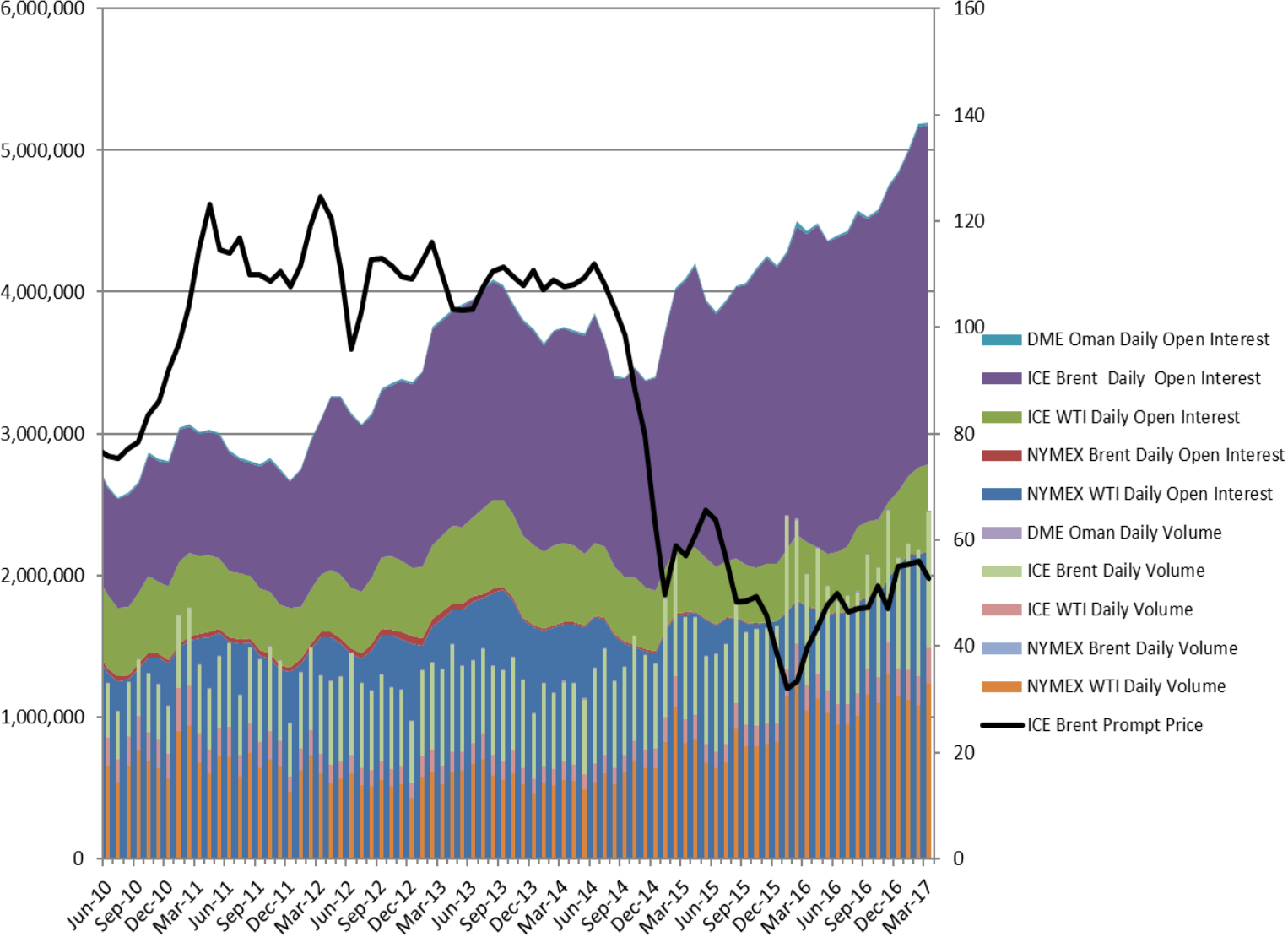


# Contract Design

- Specific Size ( 1000 barrels)
- Specific location ( Cushing)
- Specific expirations( Months)
  
- 200 grades of Crude Oil delivering to 700 refiners.
- Physicals trade at Premium , Par and Discounts to Futures.

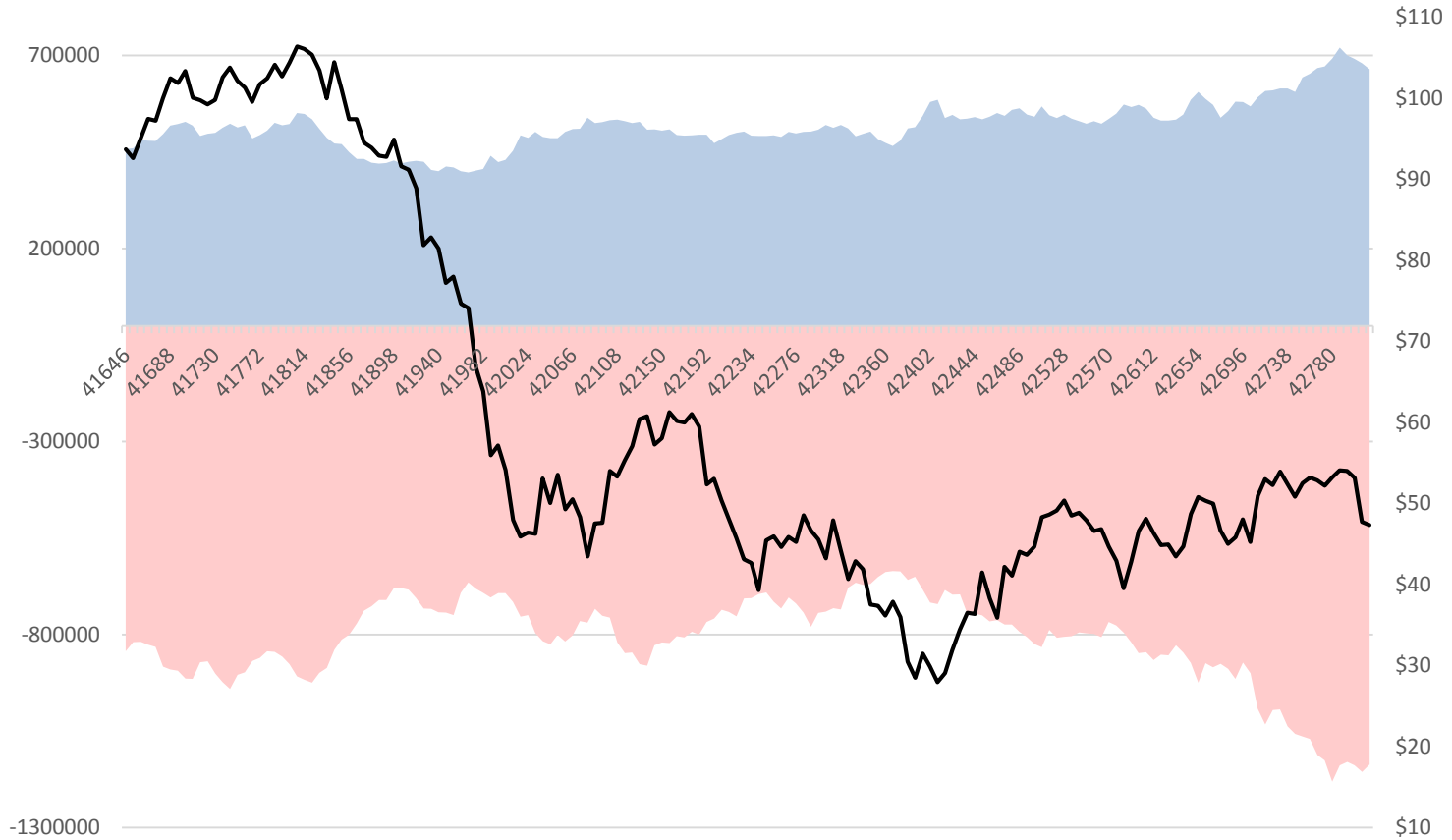


# Combined Open Interest and Volume

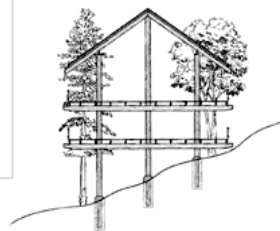


# Gross commercial shorts vs gross speculative longs Nymex

Contracts

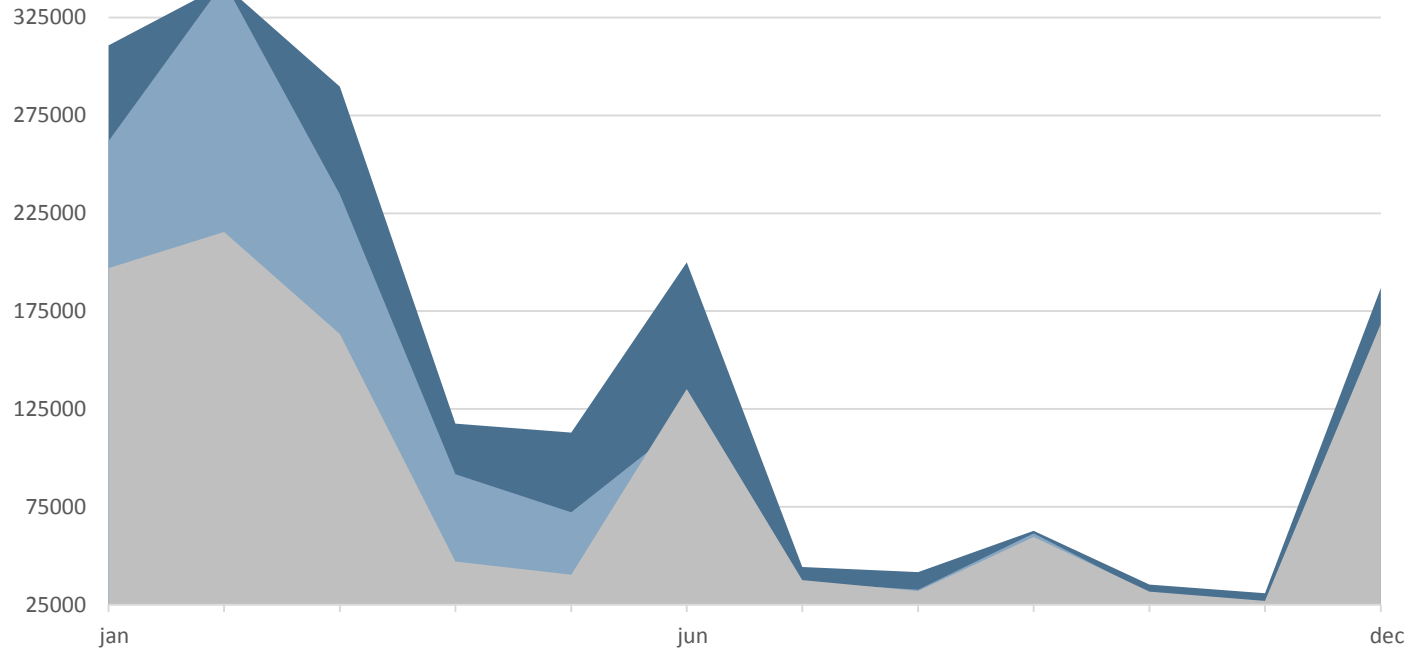


WTI Commercial shorts    WTI non-Commercial longs    Prompt WTI

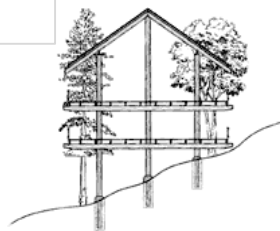


# Growth in Nymex Open Interest Across the Full Year

Open Interest

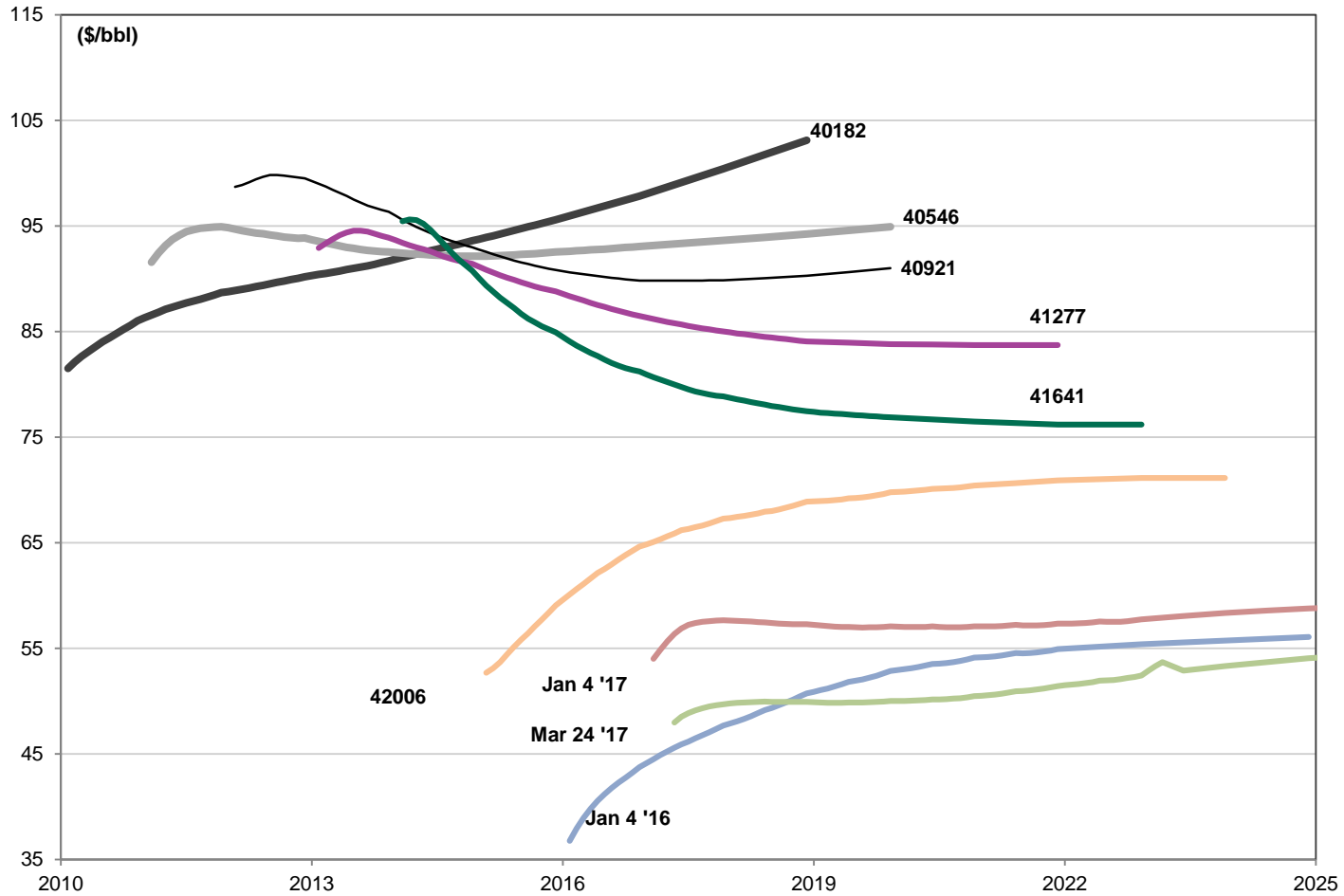


■ 42713    ■ 42348    ■ 41983

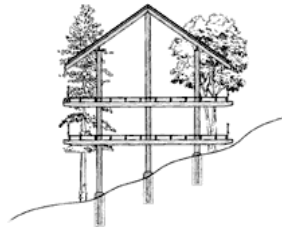


# Forward Price Curve

## WTI Futures Curves



Source: Nymex



# Cash and Carry vs Days of Forward Cover

73  
days of cover

