



# China Crude Oil Futures

The *China Securities Regulatory Commission* (“CSRC”) has publicly announced the long awaited crude oil futures contract offered by the *Shanghai International Energy Exchange* (“INE”) will be listed to trade on **March 26th, 2018**. The crude oil contract will be the **FIRST** Chinese commodity futures contract available to international investors. The CSRC also announced the *Dalian Commodity Exchange* has been approved to list an internationally available futures contract based on the world’s second most traded metal futures product, Iron Ore.

The announcements prove the door to the Chinese futures market is opening and confirm China’s desire to further integrate with the global derivatives market.

Contract Comparison	INE SC	ICE Brent	CME WTI	DME Oman
Product	Medium sour crude oil	Brent, Fortis, Oseberg, Ekofisk	Light-weight sweet	Oman oil
Contract Size	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
Price Quotation	(RMB) Yuan per barrel	US dollars and cents per barrel	US dollars and cents per barrel	US dollars and cents per barrel
Minimum Price Fluctuation	0.1 Yuan / barrel	\$0.01 / barrel	\$0.01 / barrel	\$0.01 / barrel
Settlement Type	Physical delivery	Cash settle	Physical delivery	Physical delivery
Delivery Venues	Storage Facilities designated by INE	EFP	FOB, at pipeline/storage facility	FOB, at port of shipment
Daily Settlement	Daily volume weighted average price	Weighted average price of trades during 19:28:00 to 19:30:00 GMT	Weighted average price of trades during 14:28:00 to 14:30:00 EST	Weighted average price of trades during 16:25:00 to 16:30:00 SGT
Last Trading Day	The last trading day of the month prior to the delivery month	The last trading day of the 2nd month prior to the relevant contract month	The third business day prior to the 25th calendar day of the month preceding delivery month	The last trading day of the 2nd month prior to the delivery month
Daily Price Limits	±5% from the previous day settlement	No limit	±\$5/barrel, Circuit Breaker	No limit
Minimum Margin Rate	7% of contract value	Please refer to Exchange website	Please refer to Exchange website	Please refer to Exchange website
Trading Hours	CDT-Summer (minus 1 hour in Winner) Regular trading hours (Sun-Thur): 20:00-21:15, 21:30-22:30, 00:30-2:00 (T+1) Night session (Mon-Fri): 8:00-13:30	19:00 - 17:00	17:00 - 16:00	CDT-Summer 17:45 - 17:00 (Sunday start at 17:00)

Huatai Financial USA Inc (“Huatai USA”), a subsidiary of Huatai Futures and Huatai Securities, offers bespoke solutions to clients participating in exchange-traded derivatives markets. Located in Chicago and registered as a US FCM, Huatai USA has developed a professional staff with a balanced mix of US and Chinese backgrounds designed to provide unique expertise. As one of a few Chinese futures firms with a US presence, Huatai has the resources and ability to facilitate futures trading on most global exchanges as well as domestic Chinese exchanges.

Many international investors view China as the largest and last unexplored market. However, trading Chinese markets is often considered overwhelming by international investors because it means overcoming legal, regulatory, infrastructure, technology, and cultural challenges that can be time consuming and expensive. Huatai USA’s goal is to guide clients through the initial complexities in hopes of building long-term, mutually beneficial relationships.

**For more information, please contact us:**

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