



DCE RBD Palm Olein Futures

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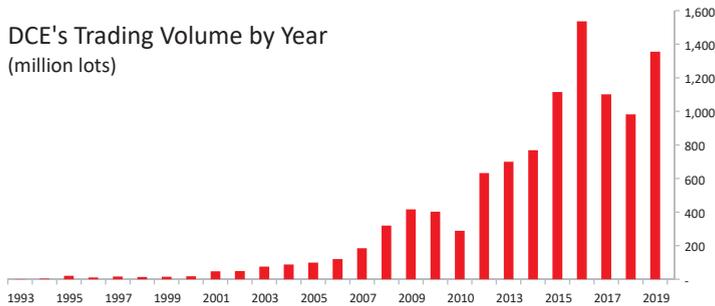


Dalian Commodity Exchange (DCE)

Established in 1993, Dalian Commodity Exchange (DCE) is one of the four futures exchanges under the supervision and administration of the China Securities Regulatory Commission (CSRC) upon approval of the State Council. Currently DCE has 19 listed futures and 3 options approved by the CSRC. DCE futures products cover agricultural, petrochemical, energy and metal sectors, serving several important industries in China's national economy.

The DCE futures market helps in price discovery and risk management for market participants and facilitates the development of related industries. In 2019, DCE was ranked 11th by the Futures Industry Association (FIA) in terms of total trading volume.

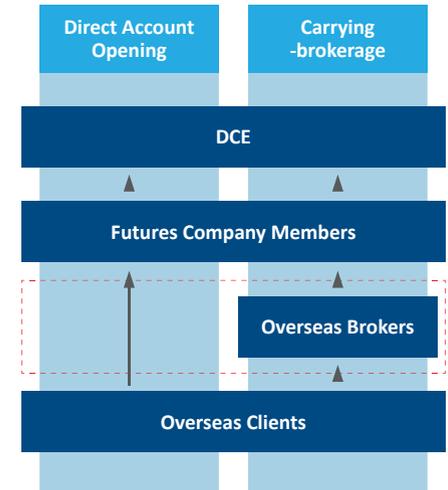
DCE's Trading Volume by Year
(million lots)



Source: DCE

Opening-up

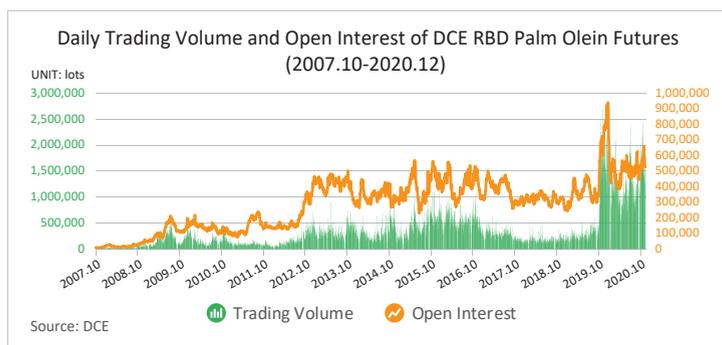
On May 4th 2018, DCE introduced overseas clients into its iron ore futures unprecedentedly. There are two routes available for overseas clients who could open accounts either through DCE futures company members directly or through carrying-brokerage channel where they have access to DCE futures company members via registered overseas brokers. DCE is currently devoted to open up more products for overseas clients.



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Trading Statistics

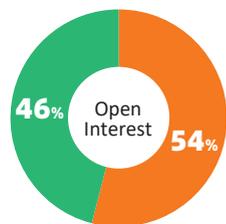
Since its launch in October 2007, DCE RBD Palm Olein futures contracts have evolved into the most traded palm oil futures product worldwide. Especially in the past Q4 2019, the daily trading volume and open interest have reached an all-time high which were 27.6 million metric tonnes and 9.1 million metric tonnes respectively.



Market Structure

DCE agricultural futures market is well acknowledged for its maturity, large liquidity and active participation of industrial clients. Major industrial enterprises already have a long history of participating in DCE futures market.

For RBD Palm Olein, over half of the open interest are held by our corporate clients who also contribute almost 40% of the overall trading volume.

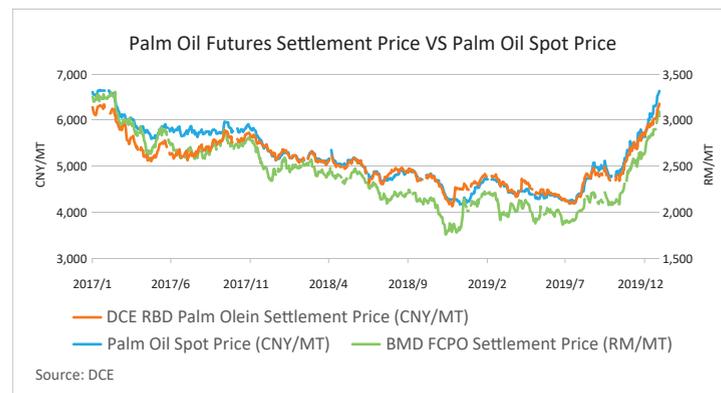


Corporate Clients (orange) Individual Clients (green)

Source: DCE, based on 2019 trading statistics

High Correlations with Physical Market

DCE RBD Palm Olein futures is closely related to the palm oil physical market. The prices of BMD Palm Oil futures (FCPO), perceived as the pricing benchmark of the palm oil physical market, have strong correlations with DCE prices. DCE has provided industrial participants a reliable tool for hedging, price risk mitigation as well as profit margin management, industrial participants could better manage trading volumes and inventory based on DCE futures prices and spot prices of producing regions.



*futures settlement prices refer to settlement prices of dominant contracts

Palm Oil Physical Market

Supply and Demand

Palm oil is the vegetable oil with the largest output and trading volume worldwide. According to USDA projection, the global palm oil output in 2019 would reach around 75 million metric tonnes, which represents a 63% increase in comparison with the 2009 output level. The main producing regions of palm oil are Indonesia and Malaysia which together account for over 85% of global production.

The global palm oil consumption volume has been steadily escalating, with India and China being main importers. USDA projected that the 2019 global consumption would reach 74 million metric tonnes. Especially for India, which consumed over 12 million metric tonnes of palm oil in 2019, experienced a 103% increase in comparison with 2010 level.

Contract Specification

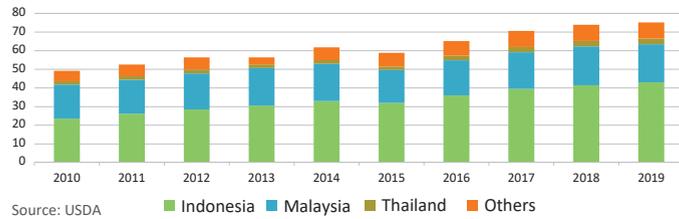


World's Most Traded
Palm Oil Futures

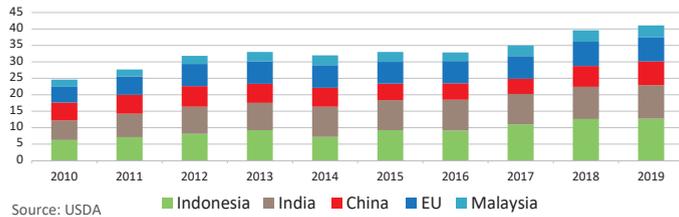
Product	RBD Palm Olein
Trading Unit	10 MT/Lot
Price Quote Unit	CNY/MT
Minimum Tick Size	2 CNY/MT
Daily Price Limit Range*	4% of last settlement price
Contract Months	Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
Trading Hours	9:00 - 11:30 a.m., 1:30 - 3:00 p.m., Beijing Time, Monday to Friday, and other trading hours announced by DCE
Last Trading Day	The 10th trading day of the contract month
Last Delivery Day	The 3rd trading day after the last trading day
Deliverable Grades	RBD Palm Olein Delivery Quality Standard of DCE (F/DCE P002-2011)
Delivery Point	The delivery warehouses of RBD Palm Olein designated by DCE
Minimum Trading Margin*	5% of the contract value
Delivery Form	Physical delivery
Ticker Symbol	P
Listed Exchange	DCE

*DCE may adjust the daily price limit ranges and the trading margins of each contract according to market conditions.

Palm Oil Output (million metric tonnes)



Palm Oil Consumption (million metric tonnes)



China: Second Largest Importer of Palm Oil

As the second largest importer and third largest consuming country, China's palm oil supply entirely depends on import from producing countries such as Indonesia and Malaysia. For China, the 2019 annual consumption of palm oil was estimated to be around 7.2 million metric tonnes which marked a record high.

China Palm Oil Import Volume (million metric tonnes)

