

# THE OPENING CALL

NEWSLETTER OF THE COMMODITY FLOOR BROKERS AND TRADERS ASSOCIATION

WINTER 2008

## CFBTA CHANGES MEMBER DUES

In an effort to provide enhanced benefits to our membership, the CFBTA has decided to change certain administrative procedures.

One of the many benefits of CFBTA membership is the option to obtain insurance under group rates. As a result of the popularity of this benefit, our organization has decided to enlist the services of a Third Party Administrator (TPA) in order to streamline the insurance and billing process and maintain up-to-date records for our members.

The TPA will be responsible for ensuring consistency in billing and maintaining membership rolls. In order to provide this service, the CFBTA has decided to increase its yearly dues, which have not been raised for several years.

Dues for all members will be increased to \$125. Members who wish to obtain insurance through the CFBTA discounted rates will be charged an additional \$25 for the year. Please note that these rates will not be prorated. You will be receiving a bill from the TPA shortly.

Our organization also plans to use this change in dues to explore increasing member benefits, such as furthering the issues of our membership in Washington and in New York. As a commodity brokers and traders association, we understand the importance of presenting our point of view to legislators, regulators and self-regulators regarding the challenges many of our members are facing today.

We pledge our support to you and welcome any and all comments and ideas for making our organization even stronger.



## NEW CFBTA TREASURER

Scott Hess was nominated as the new CFBTA treasurer. Scott replaces Joseph Salvatore, our former treasurer. We thank Joe for his years of dedication and service to our organization.

A former CFBTA director, Scott has more than 25 years of trading experience. He served on the NYMEX Board of Directors from 1997 to 2006 and was a member of the Dubai Mer-

cantile Exchange (DME) Board from 2005 to 2006. He has also served on the COMEX Governors Committee and been a chairman or vice chairman of a number of NYMEX committees, including floor, government relations, settlement, marketing, training and education, finance, and electronic trading review.

Scott has been a member of the Government Relations

Committee and Political Action Committee and has served as a liaison in many NYMEX initiatives, including the launch of the DME, development of the NYMEX electricity and coal contracts and the rollout of the Trade Management System.

He graduated from Montclair State University with a B.S. in Business Administration and obtained an MBA from Pace University.

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## FUTURES & OPTIONS FOR KIDS ANNUAL GALA

Futures & Options for Kids will be hosting their annual dinner gala at The Ritz Carlton in Battery Park on February 21.

Fred Mascia, the vice president of Geldermann and chairman of Futures & Options for Kids, will be honored with the 2008 Arthur

Kaplan Award for his dedication and service to the organization. John Starks, the founder of The John Starks Foundation and a former New York Knicks player, will receive the 2008 Patrick J. O'Shea Community Service Award.

Futures & Options for Kids

has raised and distributed more than \$14 million to organizations since its inception in 1980.



## CFTBA SPONSORS COMMODITIES CHALLENGE

The CFBTA is a sponsor for the NYMEX Commodities Challenge, an electronic trading and open outcry competition pitting teams from 29 universities against each other. The event is organized by NYMEX and the COED Media Group.

The challenge consists of an electronic trading competition in which teams are given a \$100,000 mock account to

“trade” from. The four teams with the highest account balance will go on to compete in a second round with a mock balance of \$250,000. The teams with the highest account balance after 10 days will be awarded cash prizes.

The open outcry competition will be held at two locations: the Bauer College of Business in Houston and Columbia University in New York. Indi-

viduals will compete for cash prizes and a paid internship at NYMEX.

As a sponsor, the CFBTA will be recognized in updates and articles to be posted on COEDMagazine.com and CommoditiesChallenge.com.

This is the fourth year the Commodities Challenge has been held.

## NEW EXCHANGE-TRADED FUNDS LAUNCHED

NYMEX and BetaPro Management have signed an exclusive license agreement for four new Horizons BetaPro (HBP) Exchange-Traded Funds (ETFs) that launched on January 16.

The funds cover commodities, natural gas, and crude oil futures. Bull Plus ETFs offer twice the daily performance and Bear Plus ETFs have twice the inverse daily performance of their underlying benchmark.

The HBP ETFs that began trading are the Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF, Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF, Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF, and Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF.



*Representatives from NYMEX and BetaPro Management applaud as they open the Canadian Stock Market on January 16.*

Six other HBP Commodity ETFs are scheduled to begin trading in the next month.

## CFTC UPDATES

In Commodity Futures Trading Commission (CFTC) news, Acting Chairman Walter Lukken announced the formation of three new positions at the Commission.

A new regional administrator will be tasked with serving as a liaison between regional offices and CFTC headquarters, serving as the official representative of the CFTC with exchanges and other members of the futures indus-

try, and hosting international visitors and delegations, among other duties. The regional administrators are Steve Obie for the New York regional office, Bill Kokontis for the Chicago regional office, and Tom Bloom for the Kansas City regional office.

On January 18, Mr. Lukken spoke about energy market regulation at the Federal Energy Regulatory Commission Compliance (FERC) Summit

in Washington, DC. He spoke about the hectic year the futures industry has experienced, including the sub-prime crisis and resulting credit crunch, CFTC and FERC cases against Amaranth, and the \$303 million settlement for manipulating the propane markets that was reached with BP.

Mr. Lukken addressed the need for oversight of futures markets, such as ICE, which



have evolved with the advance of electronic trading. He also stressed the need for cooperation between the FERC and CFTC. In concluding, he stated that he believed the CFTC was doing an effective job of monitoring the futures industry.

## UPCOMING EVENTS OF INTEREST

### **CFBTA Annual Meeting, March 10, New York**

The CFTBA will be holding its annual meeting on March 10 at 3pm. The meeting will be held in Room 1012 at 1 North End Avenue. All members are strongly encouraged to attend. Any questions, email Erica Reilly at ericadoyle72@hotmail.com.

### **NYMEX Political Action Committee Fundraising Campaign**

The 2007/2008 NYMEX PAC Campaign began in December 2007. The PAC allows the Exchange to foster valuable relationships with key members of Congress. There are several serious legislative concerns facing the Exchange, and the strength of the NYMEX PAC is vital. For more information about the NYMEX PAC, please contact Madeline Boyd at (212) 299-2770, email ny-

mexpac@nymex.com, or visit [www.nymexpac.com](http://www.nymexpac.com).

### **Annual Association of Futures Markets Conference, February 20-27, Bangkok**

This three-day conference features presentations from the Minister of Commerce in Thailand, Executive Director of NYSE Euronext, and Chairman of the Agricultural Futures Exchange of Thailand. The conference roundtables address challenges and opportunities in the Thai and South Eastern Asia markets, ways of keeping the markets efficient and open, and how to set up a derivatives exchange. For additional information, contact AFM General Secretary Krisztina Kasza at [krisztina@afmorg.net](mailto:krisztina@afmorg.net).

### **24th Annual Risk Management Conference, March 9-11, Bonita**

### **Springs, Florida**

The Risk Management Conference is jointly hosted by the CBOE, CBOE Stock Exchange, and CBOE Futures Exchange. The event is of particular interest to end users of derivatives, who will have the opportunity to discuss methods of managing risk and enhancing returns. To register, please contact Felicia Garcia at (312) 786-8310 or [institutional@cboe.com](mailto:institutional@cboe.com).

### **FIA 33rd Annual Internationals Futures Industry Conference, March 12-15, Boca Raton, Fl**

The FIA Conference gathers together industry leaders from around the world to meet and discuss current exchange issues and challenges, as well as ways to improve the futures industry. Senior executives, regulatory officials, government employees

and Congressmen will be in attendance at the conference. Both NYMEX and ICE Futures are main sponsors of the event. For registration information, visit the FIA website at [www.futuresindustry.org](http://www.futuresindustry.org).

### **Platts Global Power Markets Conference, April 13-15, Las Vegas**

The Platts Global Power Markets Conference will feature guest speakers such as Robert Flexon, Executive Vice President and CFO of NRG Energy; Nancy King, Morgan Stanley's managing director of fixed income and head of US emissions trading; and Anne Selting, director of utilities ratings for *Standard & Poor's*. This conference will focus on "meeting the challenges of carbon, growth, and capital." For more information, contact Kevin LaPierre at (212) 904-4358 or [kevin\\_lapierre@platts.com](mailto:kevin_lapierre@platts.com).

***NYMEX Sets Volume Records for December***

Average daily volume for December 2007 increased by 16% over contracts traded per day in December 2006. NYMEX recorded 1.335 million contracts per day over the previous year's total of 1.149 million contracts per day. NYMEX electronic trading volume in December 2007 increased by 65%, up 618,912 contracts per day over last year's average of 376,094 contracts per day. COMEX electronic trading volume in December 2007 averaged 99,097 contracts per day, a 195% increase over 33,602 contracts traded per day in 2006.

**ICE Futures Announces Record Volume**

ICE Futures USA, a subsidiary of the IntercontinentalExchange, set new electronic and exchange-wide volume records for three consecutive days. There was a total of

439,502 contracts traded on January 18, surpassing the previous record of 363,441 set on January 17 and 273,670 contracts traded on January 16. ICE Futures Europe also announced that it set a new exchange daily record on January 9 of 409,288 contracts traded.

**DME Receives Approval for Block Trading of Oman Crude Futures**

The DME received approval from the Dubai Financial Services Authority to implement a "block trade rule" pertaining to the Oman crude oil futures contract, which is traded on the exchange. Customers will now be able to submit privately-negotiated (off-Exchange) transactions on the DME, as long as the conditions of the block trade rule are met.

**NYMEX Appoints New Vice Chairman, Director**

Thomas Gordon was named

vice chairman and Howard Gabler was nominated as an independent director of the Board of Directors until the annual meeting. Mr. Gordon replaces Robert Halper, who resigned as vice chairman. Mr. Gabler will fill Mr. Gordon's previous position as independent director.

**ICE Futures Named "2007 Derivatives Exchange of the Year"**

The IntercontinentalExchange was named "Derivatives Exchange of the Year" for 2008 by *Risk Magazine*. Congratulations to ICE Futures.

**NYMEX Expands Natural Gas Futures Through 2020**

The listing of contract months for NYMEX natural gas, natural gas swap, and natural gas penultimate swap futures contracts were extended for up to 12 years. This goes into effect February 17 for the trade date of February 19. The contracts were previously listed for the

current contract year and five additional years.

**NYMEX Teams up to Form the World's First Environmental Exchange**

NYMEX has partnered with major market participants to form the Green Exchange™, a joint venture that will offer environmental futures, options, and swap contracts for renewable energy markets.

**NYBOT Seat Sales**

The sale for a NYBOT trading right was \$115,000, set on February 5, 2007. This was after the January 12, 2007 merger with ICE.

**NYMEX Seat Sales**

The record seat sale for a NYMEX seat bundled with 90,000 shares of stock was \$11.2 million, set on February 21, 2007. The highest record for a NYMEX seat bundled with 75,000 shares of stock was \$9,960,000, set on April 2, 2007.

**CFBTA**

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