

Points vs. Cents.

Grains:

Wheat, corn, soybeans, and oats, the price is quoted in dollars and cents for both futures and options. For example, a price quote of 4.09 1/2 is actually 4 dollars 9 and 1/2 cents per bushel. These grains all move in 1/4 cent increments, which is \$12.50 of real money. Profit or loss of 1 cent = \$50.00

Soybean Meal is quoted in dollars (and cents) per ton (100 ton contract). When you see a price of 180.50, it means one hundred eighty dollars and fifty cents per ton. When you see a change of -.30 it means 30 cents per ton, though often referred to as 30 points. In this case you'd be up or down \$30 on the day. The mini contract is exactly half of the regular bean meal contract and therefore attractive to trade because it is not too diluted.

Bean Oil is quoted in dollars and cents per 100 pounds. When you see 2650 it is actually twenty-six dollars and fifty cents per 100 pounds of bean oil. When you see a change of +.09, it actually means 9 cents per 100 pounds, but is commonly stated as nine points. One point equals six dollars, so a nine point move would mean a difference of \$54 dollars. Options are quoted in points.

Meats:

Are quoted in cents per pound. There are one hundred points to a cent, each point being worth \$4 except in Feeder Cattle, where each point is worth \$5. So, a full cent move is worth \$400, unless it's feeder cattle which would be \$500. If you see a price of 57.25 this is in fact fifty-seven cents and twenty-five one hundredths of a cent (25/100 of one cent). The decimal point is not meant to be a divider between dollars and cents. This guideline also works for options. The premium may be 3.70, the easy way to figure out the dollar value is to drop the decimal and multiply by the point value, so 370 on a cattle option would be 370 times \$4 per point = \$1480.

Foods or "Softs"

Coffee, Orange Juice, and Sugar are all quoted in cents per pound. This means you can use the same methods you used to figure out the meats. Cocoa is a little different, it is quoted in even dollar amounts per ton. When you see a price of 1612, it actually means one thousand six-hundred twelve dollars per ton. There are ten tons in a contract, so if you see a change of +21 per ton, multiply by ten, or add 0 to get a real dollar value change of \$210.00. Options are the same, just add a 0 to the premium price to give you the cost of the option.

Metals:

Gold, Platinum, and Palladium are just as they appear with regards to how dollars and cents usually appear. The numbers to the left of the decimal point are dollars, and the numbers to right of decimal point are cents. Here, points are the same as cents. If you hear that palladium dropped 85 cents (the 100 oz palladium contract yields \$1 per point for an actual cash gain or loss of \$85.00. per contract)

Silver is more like the grains such as corn or wheat. One penny move equals a cash value of \$50.00. In the paper, you often see it quoted as 599.5, with a change of -5.5. This actually means that an ounce of silver is worth \$5.99 1/2 dollars, down 5 1/2 cents. Silver can settle on one tenth of a cent but it only trades every half cent. Silver options, however, do trade in one tenth increments, so you can be very precise in buying a silver option.

Copper is quoted in cents per pound, instead of cents per ounce. It is a 25,000 pound contract, so if each pound increased in value by one penny, you'd have 25000 pennies, which is equal to \$250 dollars. One point is one one hundredth of that, or \$2.50. So if copper goes up 30 points, you figure by multiplying 30 times \$2.50 = \$75.00. Options are quoted in points, so a 215 point option is worth 215 times \$2.50 which equals \$537.5.

Energies:

Crude oil is quoted in dollars per barrel (bbl). A price of 14.50 is fourteen dollars and fifty cents per barrel. Each contract has 1000 barrels, so a price movement from 14.50 to 14.51 is worth ten bucks per contract.

Heating Oil and Unleaded Gas are quoted in cents per gallon, just like at the gas pump. The contract size is 42,000 gallons, so each point is worth \$4.20. A move from 5200 to 5205 is worth 5 times \$4.20, or \$21 dollars. Options are quoted in points, so an option going for 85 points is worth 85 times \$4.20, or \$357 dollars.

Natural Gas is quoted in BTU's, or British Thermal Units, which is a measurement of heat. Each notch this contract moves is worth \$10, which is one point.

Woods and Fibers:

Cotton is quoted in cents per pound, with 50,000 pounds in a contract. It's just like copper, except twice as big, so each point is worth \$5.00. Lumber traded in 80000 board feet, each point is worth eighty cents, the minimum fluctuation is 10 points, or \$8.00 (I try to stay a little confused about lumber so I won't be tempted to trade it, it's liquid and volatile).

Currencies:

The exchange quotes dollar based currency futures in "American Terms" which is the dollar price of each foreign currency. For example \$.6500 per one Swiss Franc. Another way to think about is, how much of our currency does it take to buy one of theirs, sixty five cents buys one Swiss Franc. To figure profit or loss, drop the decimal point and multiply the point change by the point value in dollars. For example \$.6500 to .6465 is 35 points times \$12.5 per point which equals \$437.50.