



## Flack Global Metals joins CME Group

### NEW YORK

Flack Global Metals (FGM) has become the first physical metals company to become a member firm of CME Group, the metals service center announced on Tuesday November 16.

FGM's membership in the exchange will enable it to enhance market-making activities and increase liquidity using the CME hot-rolled coil contract.

"When we founded FGM over a decade ago, we embedded the HRC forward curve into every aspect of our company," company founder and chief executive officer Jeremy Flack said in a statement. "It was our belief then – and is even more so today – that hedging is the best way to provide certainty in securing metals supply and pricing. We have always relied on the products of the CME, so it seems only fitting that we now become a member firm."

FGM has increased its hedging volume 1300% over the past four years, it said.

The recent price rally in steel has increased the acceptance of hedging as a means for original equipment manufacturers (OEMs) to manage their material costs in an alternative way to index or spot buys, Flack said.

"It is hard to argue with the numbers. Our customers who actively hedged this rally are expected to save over \$600 a ton this year. That will equate to over \$50 million we will have saved our customers by using the CME HRC contract," Flack said.

Fastmarkets' daily steel hot-rolled coil index, fob mill US was calculated at \$91.76 per hundredweight (\$1,835.20 per short ton) on November 15, down by 0.57% from \$92.29 per cwt on Friday and by 2.50% from \$94.11 per cwt a week earlier.

FGM is based in Chicago and has offices in Cleveland; Olympia Fields, Illinois; Kennesaw, Georgia; Columbia, South Carolina; and Scottsdale, Arizona.

CME Group - a derivatives marketplace that provides clients the ability to trade futures, options, cash and over-the-counter markets - offers benchmark products across major asset classes based on interest rates, foreign exchange, energy, agricultural products and metals.

### ROBERT ENGLAND