

WEST TEXAS INTERMEDIATE (WTI) CRUDE OIL FACTSHEET

What Is WTI Crude?

- ❖ WTI crude is a light, sweet crude oil blend. 'Light' refers to its low density and sulphur content.
- ❖ The major trading and delivery hub for WTI Crude is at Cushing, Oklahoma for North American Oil.
- ❖ Listed on the New York Mercantile Exchange (NYMEX), WTI crude is the benchmark for all crude oil that originates in the U.S. and is also the world's most liquid crude oil benchmark.

Key Features of WTI Crude Oil Futures Contract:

- ❖ Better quality grade of crude oil in terms of density and low sulphur which attracts physical buyer or importing countries refinery
- ❖ High liquidity due to heavy participation from related industry players, hedge fund and money managers
- ❖ Direct exposure to the oil market
- ❖ Price hedging tool for companies that rely on petroleum-related products
- ❖ Longer trading hours with nearly 24-hour electronic access, allowing traders to manage positions around the clock and around the globe

Key Statistics for ZL:

- ❖ Average daily volume (2019): ~1.15 million contracts traded daily
- ❖ Average open interest: ~2.1 million contracts
- ❖ Average daily trading range (2019): ~ \$1.66 (170 ticks)

Key Data:

- ❖ U.S. API weekly inventory and refinery reports (every Wednesday)
- ❖ U.S. EIA weekly inventory reports (every Wednesday)
- ❖ OPEC policy announcements
- ❖ U.S. GDP reports and relevant economic indicators



DO YOU KNOW?

As of 2016, OPEC members comprising of 14 nations accounted for ~44% of global oil production and 73% of oil reserves.

Contract Specifications (Source: CME Group website)

Product	E-mini Crude Oil	Crude Oil
Product Symbol	QM	ZL
Contract Multiplier	500 barrels	1,000 barrels
Minimum Price Fluctuation	\$ 0.025	\$ 0.01
Value per Tick	\$ 12.50	\$ 10.00
Settlement	Cash settled	Physical Delivery
Trading Hours (Malaysian Time)	0600 – 0500 (Daylight Saving Time) 0700 – 0600 (Non-DST)	

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