

**ARE 415 – Introduction to Commodity Futures Markets
Homework #2
Due Tuesday, January 16th, 2016 at the beginning of Class**

Goal: Begin to familiarize yourself with the futures contract you have chosen and with futures market terminology.

Commodity assignments will be available before 5pm tomorrow (1/12/2018) on the class website: <https://are415.wordpress.ncsu.edu>

Turn in answers to the following questions:

1. What is the commodity that your contract specifies? Where is it produced? How is it used? These are open-ended questions; your answers don't need to be more than a paragraph.
2. On what futures exchange is your futures contract traded, and where is the exchange located?
3. How large is a single contract (in bushels, ounces, dollars, etc.)?
4. What are the units for the price quote? (That is, dollars/pound, cents/bushel, light-years/kilogram.)
5. For what months and years are contracts traded?
6. How large is open interest in the nearest delivery contract? Put a dollar value on your number for open interest using a recent price.
7. For how long have futures contracts existed for your commodity? (Answering this question may not be as straightforward as answering the other questions.)