

fast Market News

March 20, 2007

MGEX Financially
Settled Ag Indexes

Minneapolis Grain

Exchange

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Hello:

We've been asked: **What are the MGEX Financially Settled Agricultural Index Contracts?**

Recognizing a need within the industry for a contract that **closely tracked country elevator pricing** across the United States, the Minneapolis Grain Exchange developed five financially settled agricultural index products.

National Corn Index ([NCI](#)).

National Soybean Index ([NSI](#)).

Hard Red Spring Wheat Index ([HRSI](#)).

Hard Red Winter Wheat Index ([HRWI](#)).

Soft Red Winter Wheat Index ([SRWI](#)).

Each of these contracts can be **used on their own or in a complimentary trading strategy** with their physically delivered counterparts.

The contracts provide many benefits, not the least of which is the **integrity of the country level pricing** and thus a **more stable basis**. Working with DTN, the MGEX obtains a daily average of country elevator pricing for each contract. The spot index is based on this average price and the contracts **financially settle** to this index upon expiration. The bid collection process is well defined and audited by the MGEX to ensure pricing integrity. To read more about the bid collection process, follow this [link](#).

For more information about the MGEX financially settled agricultural index products, please contact me at 612-321-7151, go to www.mgex.com/indexes_index.html or reply to this message.

Best Regards,

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