

May 4, 2007

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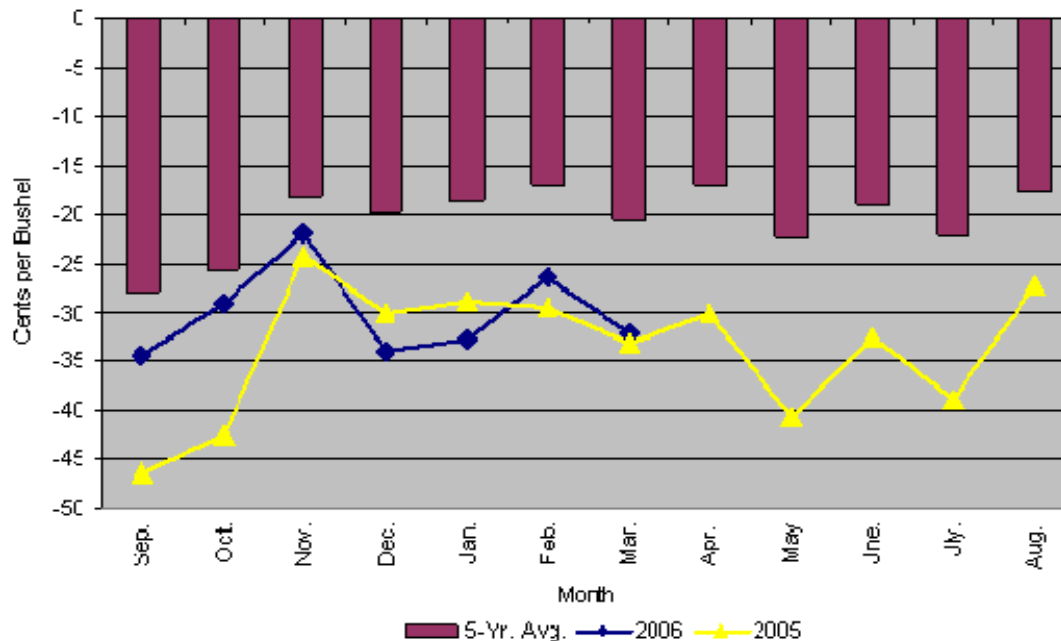
## MGEX NCI-CBOT Corn Spreads Bring Seasonal Opportunities

Hello:

Understanding basis and anticipating basis moves is key to success for grain traders and merchandisers. Those that have been in the business for a while have intimate knowledge of basis behavior that may allow them to anticipate movement in the national average basis. A synthetic basis created with the Minneapolis Grain Exchange National Corn Index (NCI) and the CBOT corn contracts can provide seasonal opportunities.

The NCI represents a national average elevator or country-level pricing. Therefore, the spread between the NCI and the CBOT physically delivered futures contract is in essence a national average basis. The graph below shows the historical tendency of the NCI-CBOT spread to strengthen from harvest levels in September through November.

Figure 1. NCI-CBOT Corn Spread



To learn more about this NCI spread opportunity [click here](#).

Watch for future emails that outline similar examples based on contract specific months. In the meantime, if you have any questions on how to make the NCI work for you, please contact me at 612-321-7151. You can also learn more at [www.mgex.com/indexes\\_index](http://www.mgex.com/indexes_index).

Best Regards,

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MGEX NCI-CBOT  
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Bring Seasonal  
Opportunities

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