

# fast Market News

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Wheat Indices:  
Opportunities for  
Speculators

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## MGEX Wheat Indices: Opportunities for Speculators

Hello:

The Minneapolis Grain Exchange (MGEX) offers financially settled agricultural index futures contracts for the Hard Red Winter wheat (HRWI), Soft Red Winter wheat (SRWI), and Hard Red Spring wheat (HRSI). **The index-based futures contracts represent an important advancement to traders interested in expanding their trading opportunities.**

### Financial Settlement

The MGEX agricultural index futures contracts **financially settle to a three-day average of the underlying cash indices** as calculated by Data Transmission Network (DTN). Read more about [financial settlement](#).

### Trading Opportunities

With traditional delivery-settled wheat futures contracts, there are three markets and three unique spreads. The MGEX agricultural index-based futures contracts result in a total of six wheat futures markets. **The additional three MGEX index-based wheat futures contracts result in a fivefold increase in the number of spreads available to traders.**

The MGEX grain indices reflect interior elevator bids. As such, **they are representative of the country-level price.** Therefore, the index – delivery contract spread (e.g., SRWI – Chicago Wheat) reflects the average country-level soft red winter wheat basis. A trader who has an opinion on a strengthening country basis can create a long basis position with a long SRWI – Chicago Wheat spread. Conversely, a short basis position is achieved by selling the SRWI and buying Chicago Wheat. **Follow this link to [learn more and view basis charts](#).**

Do you have a question on the MGEX financially settled agricultural index contracts? **Submit your question to [MGEX Marketing](#).**

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](http://www.mgex.com/indexes_index.html) or reply to this message.

Best Regards,

Joe Albrecht  
Minneapolis Grain Exchange  
Sales/Marketing Specialist  
**direct number** 612.321.7151  
**cell** 612.865.9536  
**e-mail** [jalbrecht@mgex.com](mailto:jalbrecht@mgex.com)  
**website** <http://www.mgex.com>

