

Oct. 5, 2007

HRWI Synthetic Basis Opportunity

Minneapolis Grain

Exchange

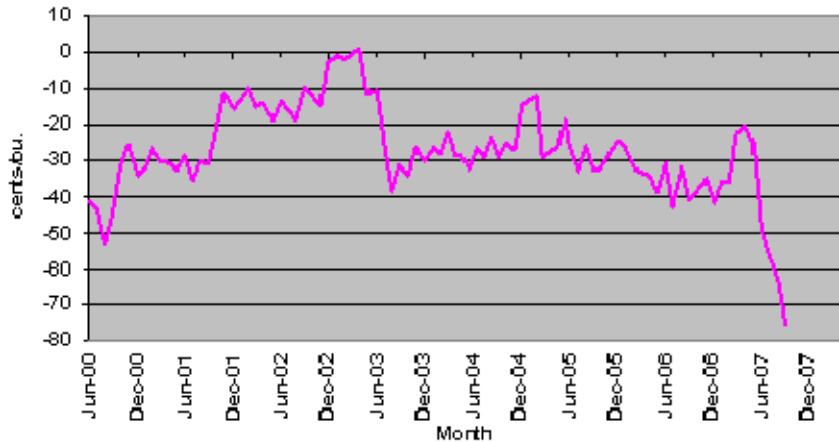
Oct. 5, 2007

MGEX Hard Red Winter Wheat Index Provide Synthetic Basis Opportunity

Everyone has different trading needs. Below is one option to consider for risk management in the hard red winter wheat market.

The spread between the Hard Red Winter Wheat Index (HRWI) and the KCBT represents a synthetic national average basis. As shown in the following figure, **the national average basis is at its weakest level in over 8 years.** Merchandisers who think that a tightening stocks situation will ultimately firm the basis may view this as **an opportunity to get long the national average basis** or synthetic basis through the purchase of the HRWI futures and sale of the KCBT futures.

HRWI-KCBT Spread or Synthetic Basis, 2000-2007



Learn more about the five MGEX financially settled index products by going to www.mgex.com/indexes_index.html, replying to this message or calling me at 612-321-7151.

Best Regards,

Joe Albrecht
Minneapolis Grain Exchange
Sales & Marketing Specialist
direct number 612.321.7151
e-mail jalbrecht@mgex.com
website <http://www.mgex.com>

MGEX
MINNEAPOLIS GRAIN EXCHANGE

