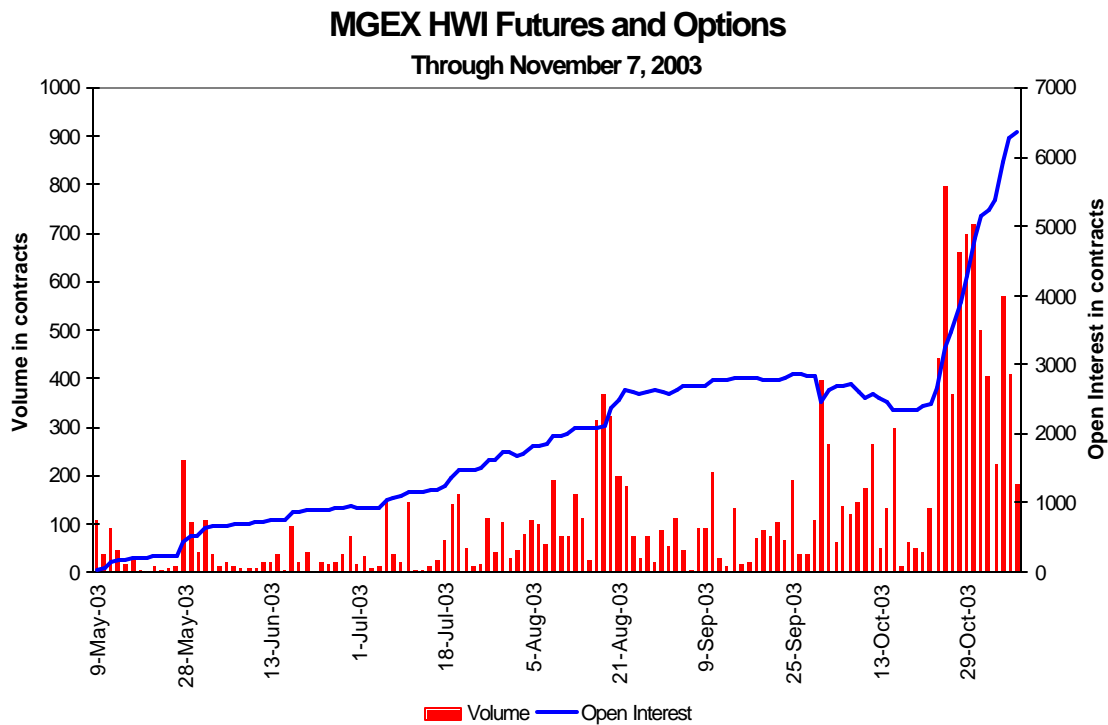




HWI Open Interest Doubles Within a Two Week Period

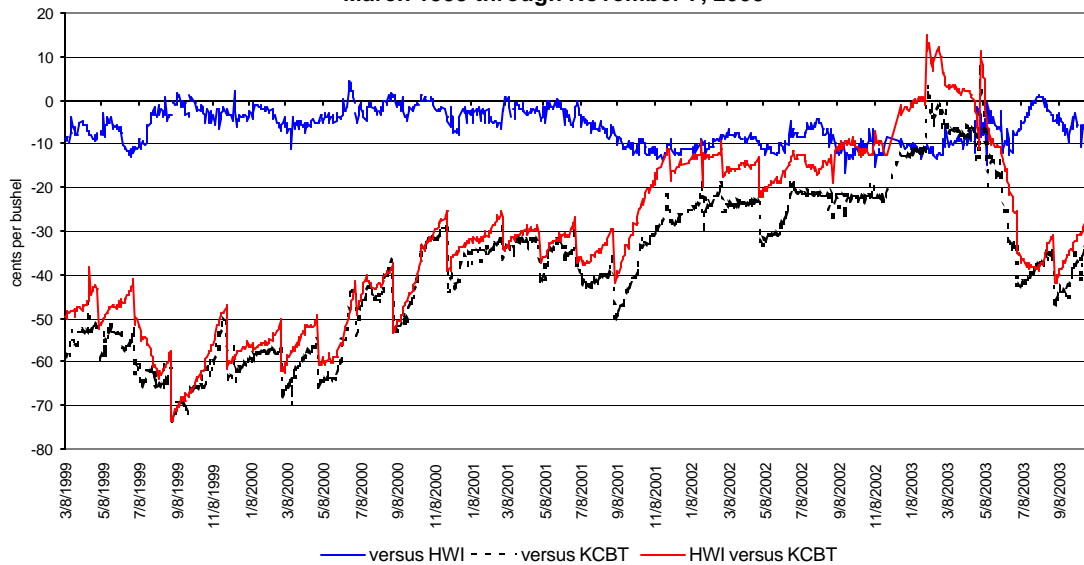
Open interest in Hard Winter Wheat Index (HWI) futures and options has doubled over the past couple of weeks to 6,367 contracts at the close of trade on Friday, November 7. Of the 6,367 open contracts, 2,308 were futures and 4,059 were options.



Updated Western Kansas HRW Basis Chart

Western Kansas hard red winter wheat (HRW) basis is compared to both the spot HWI and to nearby KCBT wheat futures in the chart below.

**Western Kansas Hard Wheat Basis
March 1999 through November 7, 2003**



W. KS versus	Standard Deviation	Average	Low	High	Range	Correlation
HWI	3.89	-6.20	-17.00	4.26	21.26	99.8%
KCBT	17.25	38.15	-74.00	7.75	81.75	95.9%

As both the chart and table show, western Kansas basis versus the HWI is less volatile than versus KCBT nearby futures. The red line on the chart above shows the difference between the spot HWI and nearby KCBT wheat futures. This line depicts “average” basis throughout the country, and, as can be seen in the chart, is very highly correlated to western Kansas basis as calculated against nearby KCBT futures. Spread trades between HWI futures and KCBT futures offer an opportunity to initiate a short basis position by selling HWI futures and buying KCBT futures.

For more information call or email Teri Huffaker at 612-321-7140, thuffaker@mgex.com.



Minneapolis Grain Exchange · 400 South 4th Street · Minneapolis, MN 55415

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