NEW CASH-SETTLED COMMODITY CONTRACT ON DURUM WHEAT

EURONEXT MATIF

Euronext launched a future cash-settled contract on durum wheat which completes its existing suite of physically-delivered agricultural commodity products.

With prices supplied by Sitagri Index Services, a BMR-compliant Price Reporting Agency (PRA), the cash-settled future contract provides a reference price for producers, merchants, export and import companies, brokers, processors, storage facilities and traders.

This contract on durum wheat is the first reference offered on Euronext’s cash-settled platform.

WHO IS IT FOR?

Producers, farmers and cooperatives for example, who want to hedge the price risk of the durum wheat that they are growing, storing, and then selling later in the year.

HOW IT WORKS?

Expiry settlement prices are the arithmetic average of the prices published by Sitagri Index Services for the expiring month.
WHY USE A CASH-SETTLED CONTRACT?

- Offers a real reference price for the durum wheat industry
- Step away from unsuited proxy indices and trades using a true price reference
- Reduces risk, simple settlement process
- Hedge investments and trading portfolio
- Protects against quality concerns in an increasingly volatile market
- Brings greater transparency and more opportunities to trade
- Uses prices provided by a BMR-compliant Price Reporting Agency, which complies with the European regulation on reference indices (www.sitagri.com/finance)
- LCH SA is the central counterparty, mitigating risk and bringing transparency and fungibility

Find out more
Contact us to find out more about our plans around cash-settled commodities.
Email commodities@euronext.com

Based on a daily assessment

The Sitagri Durum Wheat Composite Index, includes 6 references (3 French and 3 Italian) in its algorithm to define its end of day price.

- In France: DAP Port-La-Nouvelle, DAP Rouen and DAP La Pallice
- In Italy: DAP Bologna, DAP Altamura and EXW Foggia
- Traded in flat prices on the Euronext Central Order Book (COB)
- 4 contract expiries with up to 2-year trading: September, December, March and May