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COMMODITIES NEWSLETTER | JANUARY 2021

Editorial

Welcome to the winter edition of the Euronext Commodities newsletter.

The Euronext commodities team wishes you a Happy New Year and all the best for 2021. We would like to thank all clients and partners for their support, especially during the past difficult year for financial markets, and for all of us personally.

In this year of volatile markets, October saw Euronext MATIF break its existing volume records by a significant margin, signalling the importance of our contracts in the management of agricultural price volatility.

As a new year begins, we continue to look at the future of the marketplace, and would like to thank everyone who participated in our annual survey. It has been very valuable in measuring the direction our client interests are heading, and we look forward to working together to meet the needs of the market.

We were delighted to hold a webinar in December with Sitagri Index Services introducing our new cash-settled futures contract on Durum Wheat. The cash-settled futures initiative is an important step in expanding our franchise in order to support the marketplace with better tools to manage price risk. We know that our market users place their trust in us to manage fair and orderly markets, and these new official price references will allow Euronext to be more agile when considering future references that may be needed by the market. Stay tuned for more details on the Durum Wheat contract, and the next cash-settled contract on Feed Barley.

We will be attending Paris Grain Day on 27-28 January, now an established date in the industry calendar. The event will be held virtually, and I will speak on a panel focusing on the global shift in wheat price references, looking at new tools to trade wheat and the impact of the past year. I hope many of you will be able to join.

We are hopeful 2021 will be a stronger year for everyone. Thank you again for your continued support and all the best.

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Trading news



All-time volume record for Euronext MATIF

2020 was an unprecedented year for everyone, and we would like to thank the grain sector for again showing us their support during this tumultuous year. Together, we continue to develop and improve efficient tools to manage price risk on agricultural commodities. We believe that it was this long-term trust that enabled us to mark an all-time volume record for our Euronext MATIF franchise in 2020.

2020 was a record-breaking year all round, with an average daily trading volume of 66,646 lots (futures and options), representing an increase of 16.5% in comparison with the last record in 2018.

Furthermore, October 2020 saw the highest trading volumes ever on Euronext MATIF with over 2.15 million lots traded. This surpasses the previous record in July 2018 by over 16%.

These significant volumes demonstrate that Euronext is the venue of choice to manage agricultural price volatility, while ensuring a transparent and secure environment for members.



2020 survey results

Thank you to those market participants who contributed and gave us their feedback on a wide range of topics through our annual commodities survey. Your answers are very valuable and will help us to make strategic business decisions while ensuring the Euronext commodities franchise is meeting your needs.

Key points gathered from the feedback are as follows:

- **New products:**

The results show a significant interest from existing clients to trade new products, including our forthcoming new cash-settled contracts on Feed Barley and Durum Wheat. Respondents also seem more keen to see outright prices than differential prices.

- **Optiq® trading platform:**

The proposal to add a new function in Optiq® allowing inter-commodity spreads is strongly supported.

However, survey respondents rejected the idea of changing the tick size for Milling Wheat, Corn and Rapeseed.

- **Existing contracts:** there is support for extending the delivery locations for our Rapeseed contract, and for removing one of the expiry months for Corn. No particular changes are seen as necessary for Milling Wheat.

- ESG products: there is no specific interest in future ESG products. However a few market participants were curious to know more, especially on the topic of sustainable wheat.

[View the full results](#)



Euronext incentive programmes

Euronext MATIF currently offers two liquidity provider incentive programmes:

The Ceres programme is aimed at new market participants, and offers a considerable rebate for the trader for a limited duration. Ceres will end in December 2021.

Artemis was launched on 4 January 2021 and is aimed at high-volume liquidity providers, scaling with monthly volumes and at firm level.

For more information on these incentive programmes, contact commodities@euronext.com

Product updates



New Cash-Settled Contract on Durum Wheat

As announced in our last newsletter, we will launch a new range of cash-settled agricultural commodity contracts in 2021. The first contract to be launched will be on Durum Wheat, followed by Feed Barley.

The futures contract on Durum Wheat, which will be the first of this type in Europe, has been well-received by the pasta and semolina industries and will enable the whole supply chain to manage price risk effectively and with complete security.

It will be based on the Sitagri Durum Wheat Composite Index, which now represents six price references:

- French ports **Port-La-Nouvelle, Rouen** and **La Pallice**
- Italian Grain Exchanges **Bologna, Altamura** and **Foggia**.

We presented an in-depth outline of the Durum Wheat cash-settled future during a live webinar co-organised on 15 December with Sitagri Index Services, our Price Reporting Agency (part of FinanceAgri). Over 100 attendees from France, Italy, and Canada joined speakers Marco Percossi, CEO of Intergrain; Emilio Ferrari, Durum Wheat and Semolina Director at Barilla; Stefano Berni, Agro Industry Corporate Coordinator at Crédit Agricole Italia; and Andrea Riva, Head of Capital Markets, also from Crédit Agricole Italia. Together, our speakers gave an overview of the current Durum Wheat market and attested to the importance of providing this kind of tool for the management of price risk. Thank you to all who took part in this webinar.

We are targeting H2 2021 for the launch but in the meantime, a steering group will be implemented soon, allowing market participants to take part in the project. Please do not hesitate to contact us if you would like to be included in the steering group or would like to add any feedback or suggestions.

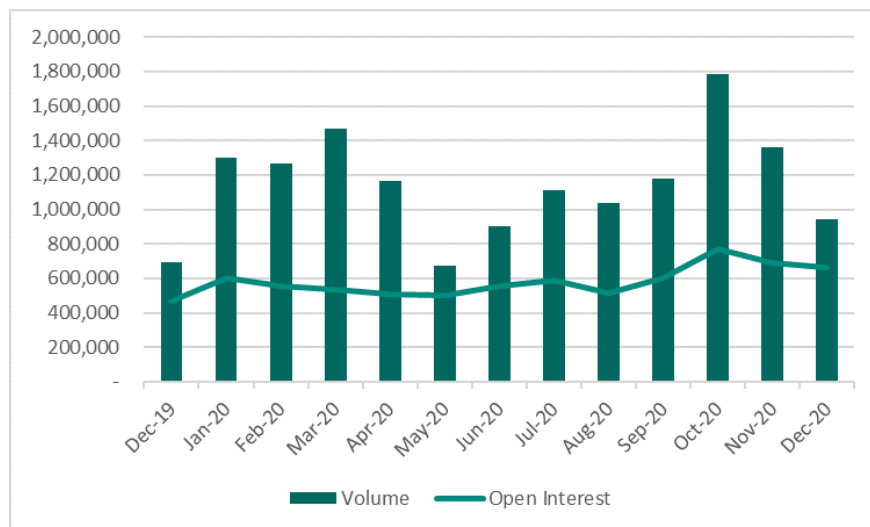
Watch the replay of the Durum Wheat webinar and access the whole presentation, as well as the Q&A:

[New cash-settled commodity contract on Durum Wheat](#)

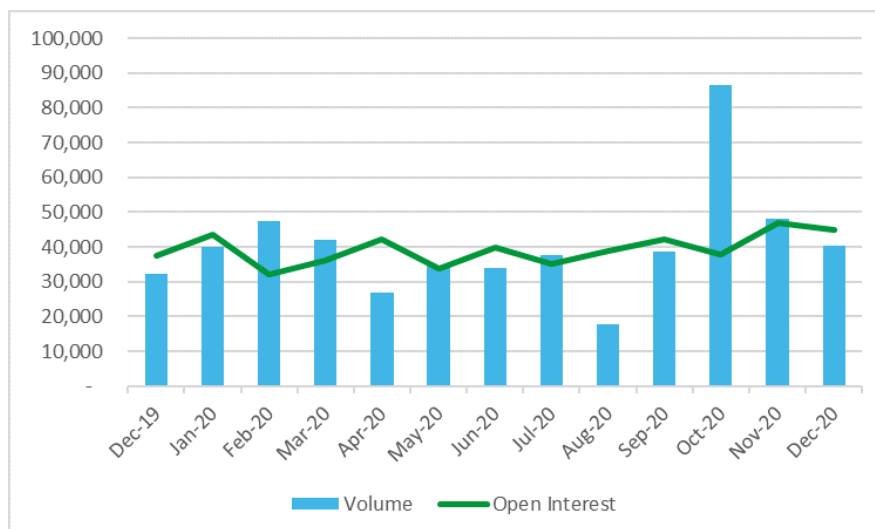
Contact the commodities team on commodities@euronext.com

Data and volumes

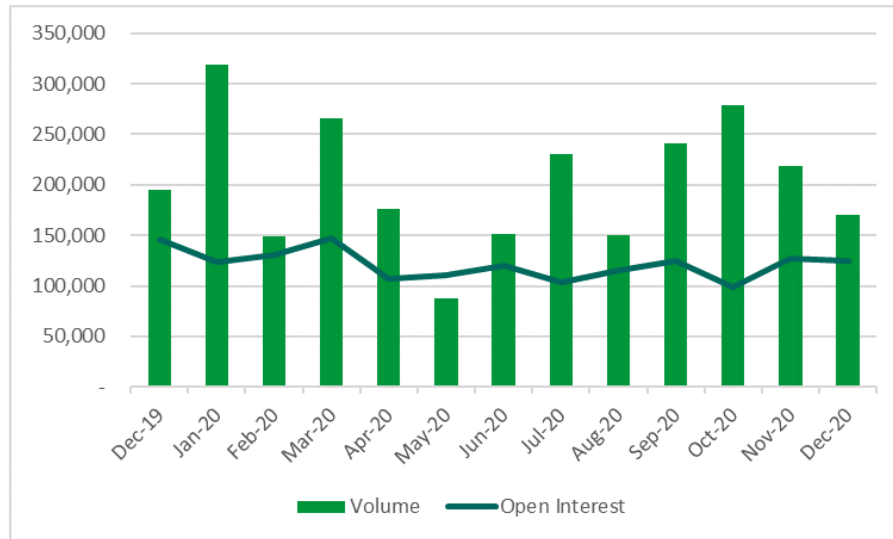
Milling Wheat



Corn



Rapeseed



Calendar



Paris Grain Day 2021

The Euronext Commodity Team will be attending the virtual Paris Grain Day Conference on **27 and 28 January 2021**. Nicholas Kennedy will speak on the panel *Financial markets: the importance of new solutions* on Thursday 28 January from 2pm CET. He will discuss the importance of bringing new tools onto the market to help traders adapt to changing conditions.

[See the programme](#)

Find out more

See all our commodity derivatives contracts on the [Euronext Live Markets](#) site or contact our team:

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