

Euronext Commodity Spread Contracts

Euronext is the leading exchange for agriculture commodity derivatives in Europe, with a range of efficient and competitive instruments to manage price risks. Euronext Futures and Options contracts have long been relied upon as trusted global and European price benchmarks for milling wheat, rapeseed and corn. The contracts allow market participants to hedge their exposure and trade in a fair, efficient and transparent environment.

To provide market participants with more tools and better opportunities to manage price risk in the global wheat market, Euronext is launching the first spread contracts on the European agricultural commodity derivatives market.



Inter-market spread contracts

European Milling Wheat vs Chicago Wheat
Spread Futures Contract

European Milling Wheat vs KC HRW Wheat
Spread Futures Contract



Inter-commodity spread contracts

European Milling Wheat vs European Corn
Spread Futures Contract

A spread contract is a financially settled futures contract with an underlying price that is the differential between two different contracts, as opposed to trading the spread synthetically, which results in taking opposite positions in two contracts.

Advantages of trading spread contracts vs trading spreads synthetically when each leg is traded separately:

- No market and execution risk
- Better margin efficiency
- Lowered execution costs
- Streamlined trading and clearing fees
- Tailored trading strategy opportunities to suit specific market conditions and objectives for optimised positions such as rolling positions and trading back of the curve.



Key benefits of trading spread contracts on Euronext:

- Access attractive fee schemes
- Benefit from margin offsets when trading several commodity contracts on Euronext
- Take advantage of trading one single cash-settled futures contract and still bet on price difference evolution between two underlyings
- No currency risk with contracts traded and cleared in Euros via Euronext Clearing



For more information,
contact the Euronext Commodities team
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And visit

euronext.com/en/for-investors/commodities/spread-contracts



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