

## MGEX-CBOT Wheat Spread

# Implied Functionality for MGEX-CBOT Wheat Futures Spreads

May 15, 2012

Beginning Monday, May 21, 2012, implied spread functionality will be available on CME Globex for spreads between Wheat futures listed on the Minneapolis Grain Exchange, Inc. (MGEX) and Wheat futures listed on the Chicago Board of Trade (CBOT). This will allow market participants to execute this popular Wheat futures spread as a single trade, rather than legging into each side of the trade.

The spread is the price differential between MGEX and CBOT Wheat futures. The introduction of the implied spread will allow the underlying MGEX and CBOT Wheat futures order books to interact, thereby providing the marketplace with the tightest bids and offers in the spread. The implied prices will be generated by the CME Globex trading engine, enabling the trading of the spread directly as implied via the underlying legs.

With the availability of implied functionality, customers trading the recently launched MGEX-CBOT Wheat Spread Options (Open Outcry: MCG, CME Globex: MCW) can now easily delta hedge their positions.

While both the MGEX Wheat and CBOT Wheat futures contracts are listed on CME Globex, the MGEX Wheat futures contract is cleared by MGEX, and CBOT Wheat is cleared by CME Clearing.

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