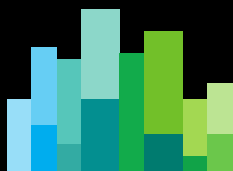


MANAGING RISK WITH FERTILISER DERIVATIVES: THE 1ST PHYSICALLY DELIVERABLE UAN 30 CONTRACT



EVOLUTION OF EURONEXT

- In 1986 creation of



- In 2002 *Euronext* buys *LIFFE* and becomes



- In 2007 *NYSE* buys *Euronext/LIFFE* and becomes



- In 2013 *ICE* buys *NYSE Euronext* and becomes



- In 2014 *ICE* spins off *Euronext* resulting in two separate exchanges:



EURONEXT COMMODITIES | KEY FACTS

Euronext will soon offer the global trading community a UAN 30 physically deliverable contract

A dynamic franchise in comparison with our peers: fast growing and already established as an international benchmark.

Key contracts now included in major commodity indices – Rogers International Commodity Index® and S&P World Commodity Index™ – increased spread volume around roll. Diverse customer base led by commercial hedgers includes funds, proprietary traders and investment banks

121,292

lots of wheat contracts traded on 21/04/2016 beating last record on 18/12/14 of 96,97 lots (5.6 million tonnes)

Euronext launch of a new Intra-European white sugar contract in Q1 /2017



THE NEW NITROGEN FERTILISER SOLUTION

UAN 30 FUTURES CONTRACT:

Launch 14 November 2016



WHY UAN 30?

■ Nitrogen solution (UAN)

- Easy to standardise product
- European fertiliser consumption estimated around 50 Mt
- 4 Mt UAN consumption in Europe p.a.
- Biggest consumption in Europe after Ammonium Nitrate (AN)
- Strong request by the farming industry and increasing number of term contracts 'further out'



WHY UAN 30?

- Following the key flow of physicals (such as wheat)
- French consumption: 2.2 Mt of UAN p.a.
- 1.3 Mt p.a. delivered into Rouen
- Price discovery via Rouen as 'most adequate basis' for nitrogen inflow and wheat outflow



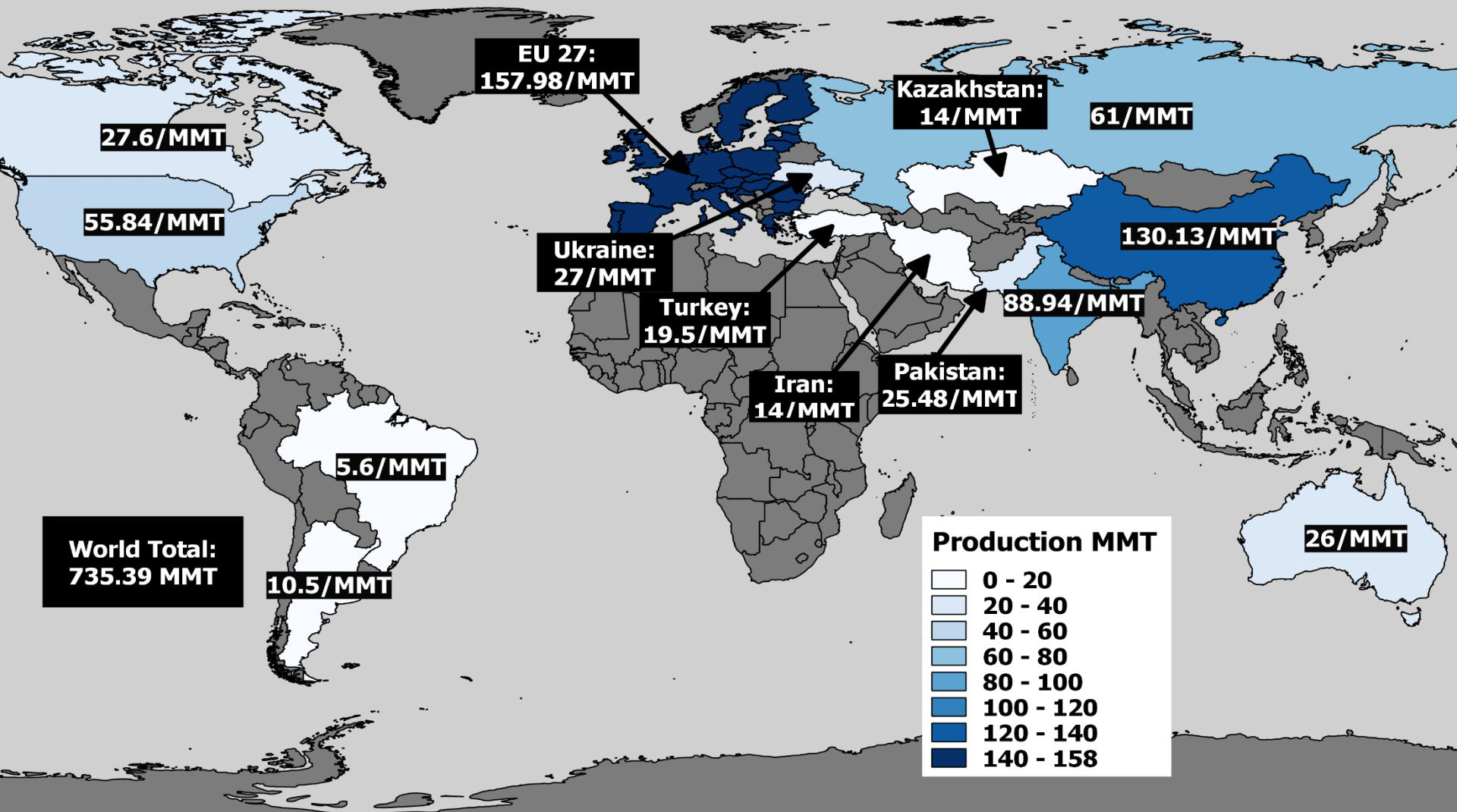
MILLING WHEAT NO. 2:

The global benchmark for EU wheat



2015/16 World Wheat Production

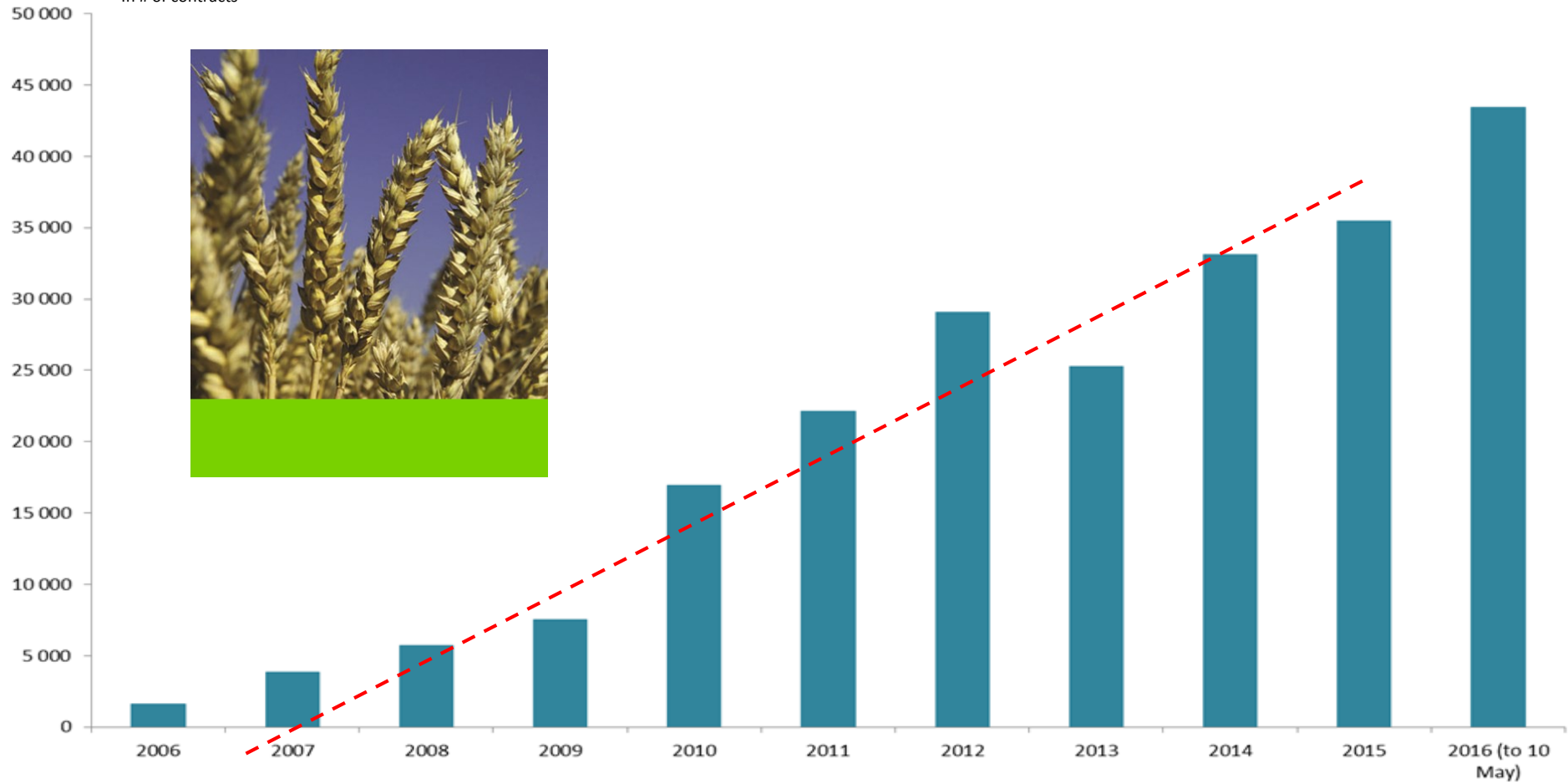
Source: USDA/FAS Jan. 2016 WASDE Report



AVERAGE DAILY VOLUME OF WHEAT CONTRACT

Milling wheat Futures ADV

In # of contracts



ROUEN AS TRADITIONAL WHEAT EXPORT HUB



- A benchmark for the French and entire European agricultural industry
- A traditionally high wheat outflow concentration from the ROUEN basin
- A physical market which is based on explicit milling criteria

...ROUEN AS TRADITIONAL UAN 30 IMPORT HUB



- A very centralised inflow of UAN 30 into ROUEN
- An “Easy-To-Define” Fertiliser product as benchmark for the entire French and European Farming industry - starting with nitrogen ...
- An underlying physical market which is clearly defined by the UAN 30 product specifications

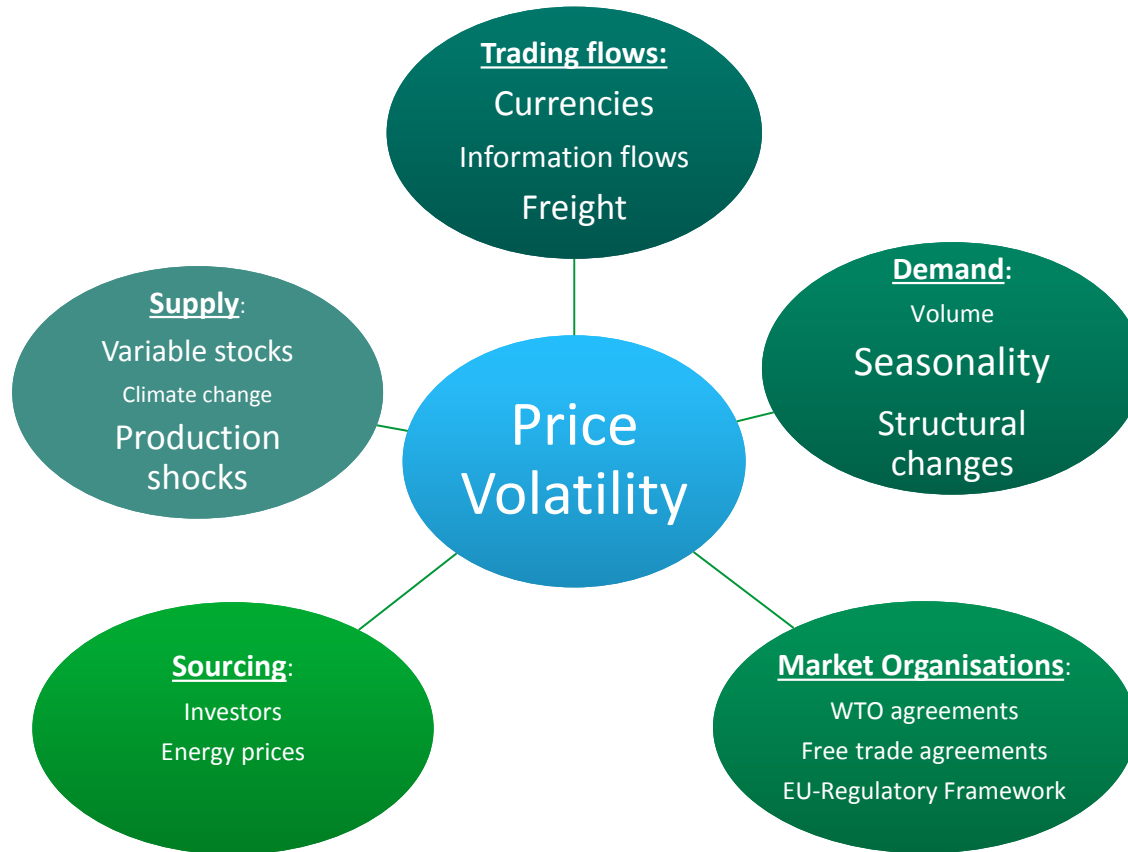
THE UAN 30 FUTURES CONTRACT A PERFECT TOOL FOR RISK MANAGEMENT



VOLATILITY (FCA ROUEN SINCE 2009)



SOURCES OF VOLATILITY



UAN 30 | FUTURES CONTRACT SPECIFICATIONS

Unit of Trading	30 metric tonnes
Origins tenderable	Any origin
Quality	<p>Nitrogen Fertiliser solution derived from urea and ammonium nitrate as per EU REGULATION (EC) No 2003/2003 OF THE EUROPEAN PARLIAMENT relating to fertilizers and EU REGULATION (EC) No 1907/2006 (REACH), Annex II, with sound, fair and merchantable quality, all duties and taxes paid, and having the following specifications : Composition</p> <p><u>Chemical analysis:</u> Total Nitrogen content: 30 %* (Ureic nitrogen 15%, Ammoniacal nitrogen 7,5% Nitric nitrogen 7,5%) <u>Physical analysis:</u> Appearance: No sediment, free of solid particles, Relative density equivalent at 20°C +/-0,5°C= 1,305-1,325 g/cm3**, Containing corrosion inhibitor</p> <p>* Tolerance margins in accordance with EC regulation 2003/2003, (Annex II, 1.1, 4.)Total nitrogen grade as per contract 30% (can also stem from UAN-32 solution with increased water content).</p>
Delivery Months	March, June, September, November such that 10 delivery months are available for trading
Price Basis	Euro and euro cents per metric ton as per FCA-Incoterms 2010 basis at an accredited tank in Rouen (France) . The lot shall be made available in a FCA and presented by the buyer ready to receive the goods and “ ready for loading ”.
Min. Price Movement (Tick)	25 euro cents per tonne (€7.50)
Expiry date of contract month	The 10th calendar day of the month preceding the delivery month (or trading day prior this date if 10th is public holiday) in accordance with the schedule established by the Exchange.
Notice Day	1 st trading day following expiry date
Delivery Period	Delivery takes place from the 6 th working day following expiry until the end of the last trading day of a specified month.
Trading Hours	10.45-18.30 (Paris time), 3.45am – 11.30 (Chicago time) Settlement period: last 10 minutes of trading
Algorithm	Price-time trading algorithm, with priority given to the first order at the best price



THE NEW NITROGEN FERTILISER SOLUTION

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THE FIVE STEPS TO BE READY TO TRADE

Step 1

Get all relevant information about the UAN-30 Futures contract:

- Contract specs
- Notice of delivery
- Notice of terminal procedures

Step 2

- Contact Clearing Brokers to collect all required information
- Coordinate internally with your Risk / Finance / Trade departments (potential synergies, cost benefit analysis...)

Step 3

- Select your your GCM / Clearing Broker
- Internal mandate of futures trader and responsibility of who 'owns' daily management of positions

Step 4

- Open account with your Clearer
- Setup connectivity (market data, voice trading, remote screen if needed)
- Review, adjust post-trade process

Step 5

READY TO TRADE ?

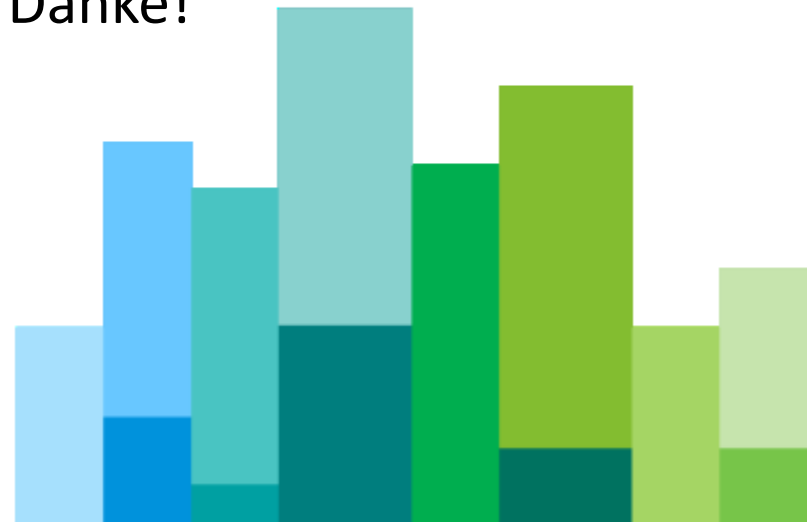
- Deposit the initial margin
- Prepare daily supervision of positions, margin calls and collateral in line with Risk and Finance departments

CONTACTS

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Merci! Thank you! Danke!
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