



SCS Newsletter

April 26, 2016

QUICK SNAPSHOT

The grain market experienced violent moves last week— commodities across the board underwent a rally that was accompanied by a sharp spike in implied vols, before both the futures and the volatility dropped near expiry.

These unprecedented market moves ignited producer interest in OTC-like structures that sold volatility— particularly ones that featured double ups, knock-outs, and support levels. Master Enhancer and Originator Plans allowed producers to lock in higher fixed prices (well over ten dollars in beans), while the Master Fence Plan opened up upside for those who were more bullish.

IN THE SPOTLIGHT

Educating yourself and your team on everything that SCS offers can be tricky—especially when there's so many structures to learn!

SCS makes it easy for you to get familiar with all the tools available to you and your team through one-on-one webinars that can be set up with an SCS desk member. These can be done on a monthly or quarterly basis, whether it be to learn the structures and online tools from scratch, or just to get a quick refresher for you and your originators.

To find out more about scheduling educational web meetings, contact your Broker or the SCS Desk.

WHAT'S HOT

CORN

...with CZ16 at \$3.90... CK17 at \$4.02

Master Enhancer Plus Plan (CZ16) - fixed price & double up at 4.1775, k/o at 3.45, no cost

Master Fence Plus Plan (CZ16) - floor at 3.90, cap and double up at 4.37375, stop protect at 3.45, no cost

Master Enhancer Plus Plan (CK17) - fixed price & double up at 4.33625, k/o at 3.40, no cost

Master Originator Reserve Plan (CK17) - fixed price & weekly double up at 4.14625, trigger at 3.50 that resets to 4.02



SOYBEANS

...with SX16 at \$10.07... SH17 at \$10.02

Master Enhancer Plus Plan (SX16) - fixed price & double up at 10.29375, k/o at 8.45, no cost

Master Originator Plus Plan (SX16) - fixed price & double up at 10.29875, trigger at 8.50 that resets to 10.07, no cost

Master Fence Plus Plan (SX16) - floor at 10.07, cap & double up at 10.49, stop protect at 8.60, no cost

Master Enhancer Plus Plan (SH17) - fixed price & double up at 10.415, k/o at 8.45, no cost

Master Fence Plus Plan (SH17) - floor at 10.02, cap & double up at 10.67625, stop protect at 8.45, no cost

Questions? Comments? Contact us!

structureddesk@structuredcommoditysolutions.com



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HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.