

•Wire: BLOOMBERG News (BN) Date: 2009-04-06 09:13:08
Corn Swap on ClearPort May Attract Speculators, Starsupply Says

By Claudia Carpenter

April 6 (Bloomberg) -- A corn swap cleared overnight through CME ClearPort may attract more speculators and investors to the grains market, said Jason Cole, an agriculture derivatives broker at Nyon, Switzerland-based Starsupply Renewables S.A.

Starsupply was the broker of the corn swap as the Chicago-based CME Group started to clear corn swaps through its CME ClearPort clearing service for over-the-counter products. Cole spoke today in a telephone interview.

The trade was between Barclays Capital and Infinium Capital Management LLC, a Chicago-based trading company, Cole said. He declined to specify the size of the trade or the corn price.

“I expect more speculators and investors to be able to get involved in the grains market that wouldn’t necessarily have been able to because of the issues of counterparty risk. Counterparty risk is a big concern. We find a number of counterparties who normally would have had no issue trading between themselves now find themselves having to be extra careful as to who their counterparty is. There has been a slowing down of grains trading over the counter.”

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