

SAFRAS CTDI BRAZIL SOYBEAN INDEX

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Index overview

SAFRAS CTDI Brazil Soybean Index is an effective tool that aggregates soybean prices from 37 different cities throughout Brazil.

This exclusive index:

1. responds to the market needs to know a reliable soybean price reference index defined at the national level in Brazil.
2. is based on the prices across 37 cities of Brazilian soybeans practiced throughout the country, in important regions of physical commercialization of the commodity

Index objective: Brazil Soybean Benchmark

Taking into account that Brazil is the world's largest producer and exporter of soybeans, this index has a strategic function as a benchmark for the national price of Brazil soybeans, transparently and coherently, assisting in investment and business decision-making at the global level.

A reliable national benchmark price is increasingly important to producers, cooperatives, industries, warehouses, transporters, grain traders, exporters, importers and financial participants for production and hedging purposes.



A TRADERS ' MARKET

SAFRAS CTDI Brazil Soybean Index

...serves the interests of traders.

It allows them to:

- add and compare the price of soybeans in Brazil in an efficient, accurate and safe way.
- provide a transparent tool to support the trading of linked global agricultural assets and commodity futures.

This index brings a strong added value for all those who need an accurate benchmark of the soybean sector in Brazil, with the security of adopting the standards established by the IOSCO Principles.



INDEX CONSTITUENTS AND WEIGHTINGS

SAFRAS CTDI Brazil Soybean Index

...adopts the following composition and weight calculation methodology.

Because Brazil's soybean production extends to all regions of the country and covers more than half of the states, the prices practiced in the domestic market show significant differences from location to location.

Against this, to eliminate or reduce eventual distortions that such differences may bring in the formation of the index, the methodology for its calculation consists of:

- use the relevance of the production of each state against the total production of the country;
- use the weights for quotations of places/states according to their volume of production.



INDEX CALCULATION

Step 1: Computing the mean price for every region

After computing the weights of each component futures, we then derive the weighted rate of return of the futures using the Formula.

Step 2: Computing the adjusted weights for every region

The initial weights for each region is given exogenously. For a particular date when no markets are open for a region, the weight is adjusted to be zero.

Step 3: Rate of Return

After computing the weights of each component region, we then derive the weighted mean rate of return of all regions.

Step 4: Index basing

- The index base is 100
- The base date of the index is Jan. 4, 2016

Step 5: Index Update Frequency

Indices are calculated and released on a daily basis.

