

Launch of Argus settled Black Sea CVB Wheat Futures & Options to hedge or get exposure to the world's largest wheat export market

Black Sea wheat hedging and trading opportunities

- US based exchange CME Group will launch cleared, cash-settled futures and options for Black Sea Constanta Varna Burgas (CVB) 12.5% protein wheat on CBOT to enable market participants to hedge or get exposure to the world's largest wheat export market.
- Observation window: these contracts will settle against an average of the 'Argus daily 12.5% Romania-Bulgaria fob CVB (USD/t)' physical spot market published from and including the 1st-15th days of the CME futures contract month.
- The new product will start trading on 2 June 2025, subject to regulatory approval, through CBOT on ClearPort and Globex.
- The Romanian-Bulgarian CVB ports are a key wheat exporting location in the major Black Sea market. They have risen in prominence in recent years as a result of both a growing wheat crop and the ongoing conflict in the Black Sea. The EU's CVB ports represent a point of geo-political stability in a highly volatile region that plays a critical role in the world's food security. Romania and Bulgarian wheat exports totalled 13.6mn t in the 23/24 marketing year.
- Argus has been assessing pricing for the Romania-Bulgaria CVB wheat market since May 2022. This pricing sits in the **daily Argus AgriMarkets report**, with price history available to subscribers via the Argus Direct platform, FTP and API feeds, and 3rd party providers including **Bloomberg (price ticker ARG13882) and Refinitiv (price ticker WHTROMBULO=ARG)**.
- Black Sea Wheat CVB Futures and Options offer market participants a way to hedge their exposure using a cleared product, enabling them to manage counterparty credit risk.
- The contracts are financially settled against Argus therefore enabling players to trade agricultural markets without the challenges of managing the physical product.
- These contracts can be traded alongside Chicago SRW Wheat and KC HRW Wheat contracts and are cleared through CME Clearing, enhancing capital and clearing efficiencies. In line with Chicago Wheat and KC Wheat contracts, the market can trade Black Sea CVB wheat for the months of July, September, December, March and May, with contracts listed 7 months forward.
- Market participants have lacked tools to hedge or gain exposure to the world's largest wheat export market since the previous Black Sea Wheat Futures and Options were suspended due to the conflict. Russian wheat is the largest trade flow in the region, with the CVB 12.5% protein specification considered a strong proxy for this major flow.

Argus AgriMarkets Daily provides all your information needs

- The Black Sea CVB 12.5% protein wheat pricing is published in the **daily Argus AgriMarkets report** alongside a full suite of Black Sea wheat pricing for CVB, Russia and Ukraine. Price history is available to subscribers.
- The **Argus AgriMarkets daily service** provides valuable expert insight on key market developments across the global grains and oilseeds markets, including an in-depth daily global wheat market commentary.

Appetite for risk management tools on Black Sea wheat

- The Argus 12.5% Romania-Bulgaria CVB index is a trusted, independent price benchmark for the physical fob cash market. The assessment is based on daily discussions with a wide range of buyers, sellers and trading intermediaries in this market.

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GRAINS - WHEAT MARKET

Russian new-crop prices under pressure

Sellers of Russia's new-crop 12.5pc protein content wheat focused on destination markets on Tuesday, aiming to compete with US Hard Red Winter (HRW), particularly for shipment to Africa.

Trading activity for Russian new-crop milling wheat picked up both at destination markets and on a fob deep ports basis, market participants said. Traders discussed prices in the low-\$230s/t range on a fob Russian Black Sea ports basis this week. This is close to \$20/t lower than tradeable levels for old crop.

Elsewhere, sellers of Black Sea 11.5pc new-crop milling wheat kept up the pressure on Australian wheat prices. pressure may also have translated to Australia's fob market pushing spot Argus-assessed prices lower for the first time over 10 days on a fob Western Australia basis.

Any weather risks in the Black Sea region in the coming months are likely to give direction to global wheat prices.

The recent cold snaps could have caused larger damage to more developed new-crop winter wheat in parts of southern and central Russia. At the same time, recent rain has improved conditions for some of the crops which were doing the worst around a month earlier.

In Ukraine, recent frosts are expected to have limited effect on winter wheat, but severely damaged rapeseed. For wheat, the bigger risk is still coming from insufficient moisture.

As for spring wheat, farmers in Russia have sped up planting. The pace was up on the year, thanks to favourable weather conditions and soil moisture after recent rains.

Elsewhere, US new-crop winter wheat has recovered thanks to much needed rain last week. Winter wheat rated "good-to-excellent" in Kansas reached 47pc as of 27 April, 14 percentage points ahead of the five-year average. Kansas is a major US winter wheat producing state, where winter wheat conditions were at risk because of drought.

And the new crop could improve further because more rain is forecast in the state in the next seven days.

Meanwhile in China, persistent hot and dry weather in the North China Plain (NCP) and Yangtze River Basin (YRB) – the country's major wheat belts – resulted in growing planting costs and, therefore, higher price expectations for new crop from farmers who turn to field irrigation to avoid yield losses. Dry conditions are expected to last for another 10 days, meaning that winter wheat, which is currently at the critical heading stage for final yields, will need more irrigation.

INTERNATIONAL WHEAT PRICES

Delivered wheat spot prices					\$/t
	Low	High	Mid		±
Milling wheat Southeast Asia cfr*	260.00	266.00	263.00		-0.25
Milling wheat Morocco cfr	248.00	251.50	249.75		-5.00
Wheat feed grade rlf Spanish Med	244.00	260.00	252.00		nc

Black Sea wheat fob spot prices					\$/t
	Bid	Offer	Mid		±
Ukraine					
Wheat 12.5% fob POC	242.00	254.00	248.00		nc
Wheat 11.5% fob POC	238.00	244.00	241.00		nc
Wheat feed grade fob POC	228.00	240.00	234.00		+2.00
Russia					
Wheat 12.5% fob Novorossiysk	250.00	252.00	251.00		-1.00
Romania-Bulgaria					
Wheat feed grade fob CVB	221.50	226.00	223.75		-0.50
Wheat 11.5% fob CVB	240.00	243.50	241.75		-2.25
Wheat 12.5% fob CVB	245.50	249.00	247.25		nc

	Bid	Offer	Mid		±
Wheat 11% fob Rouen €/t	203.25	205.75	204.50		-4.75
Wheat 11% fob Rouen \$/t	231.70	234.55	233.13		-4.96

Baltic wheat fob spot prices					€/t
	Bid	Offer	Mid		±
Wheat feed grade	190.75	194.75	192.75		-0.75
Wheat 12.5pc	212.25	217.25	214.75		-0.75
Wheat 14pc	232.25	237.25	234.75		-0.75

US wheat fob prices					\$/t
	Loading		Mid		±
HRW US Gulf coast month 1	May		224.23		-3.49
HRW US Gulf coast month 2	Jun		235.53		-3.21
HRW US Gulf coast month 3	Jul		231.85		-3.22
SRW US Gulf coast month 1	May		220.74		-3.58
SRW US Gulf coast month 2	Jun		216.97		-2.02
SRW US Gulf coast month 3	Jul		214.40		-2.76

Canada wheat fob spot prices					\$/t
	Bid	Offer	Mid		±
13.5% CWRS fob Vancouver	267.35	269.18	268.27		-1.84
diff to MGEX spring wheat Jul contract €/bushel	+135.00	+140.00	+137.50		nc

Argentina wheat fob spot prices					\$/t
	Bid	Offer	Mid		±
Wheat 11.5% fob upriver	238.00	240.00	239.00		-1.00
Wheat 12% fob upriver	238.00	240.00	239.00		-1.00

Australia milling wheat spot prices					\$/t
	Low	High	Mid		±
ASW fob Western Australia	249.00	255.00	252.00		-2.00
APW fob Western Australia	256.00	262.00	259.00		-3.00

Daily global wheat market commentary

Black Sea Wheat CVB Futures and Options contract settlement price
Daily spot Argus assessment