

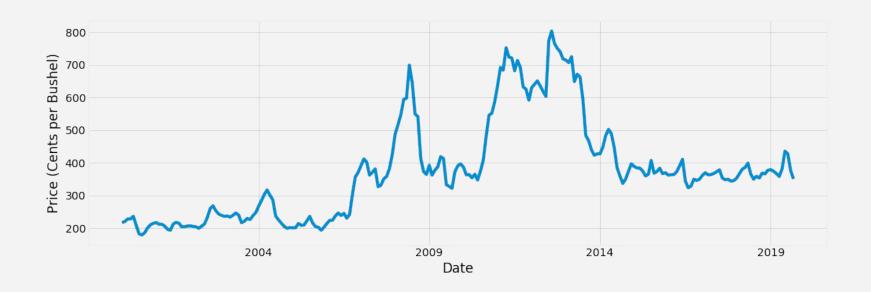
What is a Future?

- Contract that locks in the price of a commodity for delivery at a later date
- 3 players:
 - Farmers/Producers -> Lock in sale price
 - Industrial Consumers -> Lock in buy price
 - Traders -> Speculate on price movement

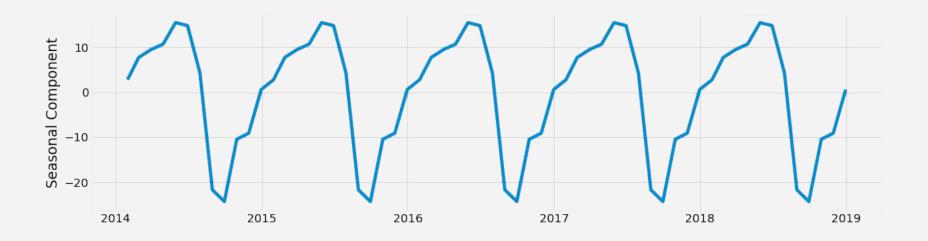
Project Goals:

- When are the best times to buy and sell futures to maximize profit?
 - What are the seasonal trends in the corn futures market?
 - Can we use these seasonal trends to forecast futures prices?

CME Corn Futures Data

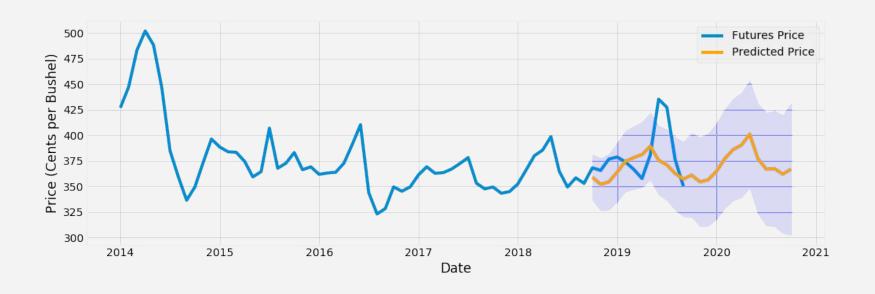


Seasonal Trends



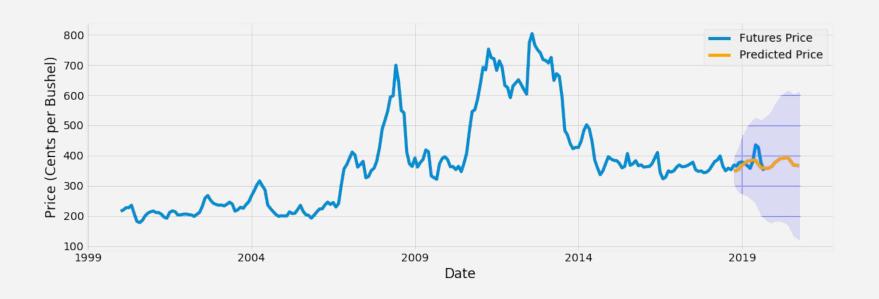
- Spring/Summer (growing season) -> harvest yield uncertainty (droughts, flood, etc.)
- Autumn/Winter (harvest season) -> high supply / low uncertainty

Futures Price Predictions 5 Year Pattern



Buy in harvest months, sell in summer months

Futures Price Predictions 20 Year Pattern



Recommendations

Buy in harvest months, sell in summer months

Limitations

Difficult to predict large fluctuations and volatility on a long timescale

Further Research and Next Steps

- Integrate additional data (e.g. weather, politics, social media, supply/demand, etc.)
- Extend prediction model to other grain futures markets (e.g. wheat, soybean, etc.)
- Invest!

