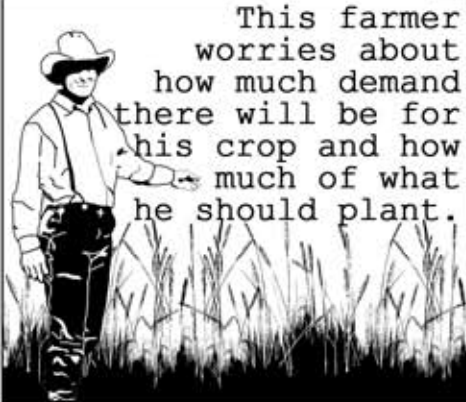
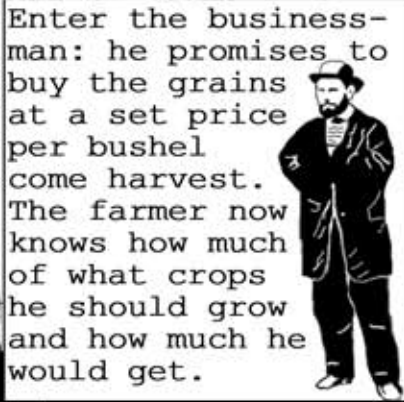


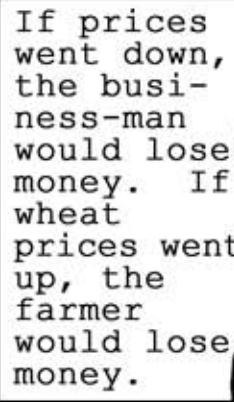
BACK TO THE FUTURES



This farmer worries about how much demand there will be for his crop and how much of what he should plant.



Enter the businessman: he promises to buy the grains at a set price per bushel come harvest. The farmer now knows how much of what crops he should grow and how much he would get.



If prices went down, the businessman would lose money. If wheat prices went up, the farmer would lose money.



It was worth the gamble to know how much they would have down the road.

Future contracts stabilized the markets & made farming more efficient. Futures became big business & central markets began.



Futures markets grew in size, kinds of markets and in importance to overall economy.



While some markets are regulated, 85% of all U.S. futures markets are unregulated.

Futures markets have been created for pretty much everything including interest rates and the weather (however, the Pentagon wasn't allowed to start a futures market for people to bet on terrorist attacks). As more and more people speculate on prices going up, the value of those things is driven up. American wheat futures alone are good for twice the amount of wheat that is eaten in the U.S. in a year. It is estimated that if unregulated futures markets were eliminated, the price of oil would drop 25%-50% immediately, food and other commodities prices would drop too.



ILLEGAL: JIM CALLS HIS BOOKIE

LEGAL: JIM CALLS HIS BROKER

