Pricing Decision Chart for Cash Product Sellers

**ACTION**
1. Basis Contract
2. Sell Cash, Buy Futures
3. Sell Cash, Buy Call
4. Forward Contract, Buy Call
5. Minimum Price Contract

**Futures-Up**
- Futures: Now \(\rightarrow\) Later
- Basis: Now \(\rightarrow\) Later

**Expected Change for Futures and Basis**
- You like the basis now, so you'll CALL it
- You like the basis long-term (later), so you better PUT a ring on it

**Futures-Down**
- Futures: Now \(\rightarrow\) Later
- Basis: Now \(\rightarrow\) Later

**Basis-Weakening**

**Basis-Strengthening**

**ACTION**
1. Store Cash
2. Delayed Pricing
3. Store Cash, Buy Put
4. Minimum Price Hedge-to-Arrive

**Futures-Up**
- Future: Now \(\rightarrow\) Later
- Cash: Now \(\rightarrow\) Later

**Futures-Down**
- Future: Now \(\rightarrow\) Later
- Cash: Now \(\rightarrow\) Later

**ACTION**
1. Sell Cash
2. Forward Contract
3. Sell Cash, Buy Call
4. Forward Contract, Buy Call
5. Minimum Price Contract

**Expected Change for Futures and Basis**
- You like the basis now, so you'll CALL it
- You like the basis long-term (later), so you better PUT a ring on it

**Futures-Up**
- Futures: Now \(\rightarrow\) Later
- Basis: Now \(\rightarrow\) Later

**Futures-Down**
- Futures: Now \(\rightarrow\) Later
- Basis: Now \(\rightarrow\) Later