

AGRICULTURAL COMMODITIES FUTURES IN MEXICO

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ABSTRACT

This work determines, through analysis, the reasons an agricultural commodities futures market never developed in Mexico.

The first part describes the history of the U.S. futures markets, drawing from it a historical pattern of futures markets creation. This history is then contrasted, through analogy, with the same Mexican historical period. The reasons for the absence of the commodities futures market are inferred from the differences while the extent to which steps were taken in its direction are inferred from the similarities. At the end, a brief history of the Mexican futures market involvement is provided.

Similar paths were followed by both countries. Mexico's progress however, was slower due to political instability and got very close to a futures market in the evolution process. The process was never completed due to a government institution to controls market prices.

For those readers interested in a more detailed description of the Mexican instruments mentioned within the analysis, these are provided in the appendices.

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