

# The challenges global trading faces

The global pandemic has forced commodity businesses to accelerate their transition to digital trading. Digitalisation is changing commodity trading, transforming the value chain & redefining sources of competitive advantage, redistributing as much as \$70bn in trading value in the process.

The commodity trading arena is currently at a crossroads. For most players, making the changes necessary to remain competitive will be a great challenge, and many will likely exit, which will create a growth platform for Nui.

This “new equation” relies on the following drivers, which all make a push towards digital disruption:

- ✓ A changing business landscape, which has made it harder to maintain and cultivate relationships.
- ✓ Travel disruptions are expected to be in place for a significant period of time.
- ✓ Many major agriculture companies are already pursuing digital strategies.
- ✓ Business continuation – retaining market share
- ✓ Geographical Spread – reach a wider market
- ✓ Customer segmentation – activate whole customer base

The traditional source of competitive advantage of the key players (merchant traders, brokers etc) are eroding

## Traditional sources of advantage

Access to information	Control of assets	Trading capabilities
<ul style="list-style-type: none"><li>• Access to proprietary data</li><li>• Quick access to price-driving data</li><li>• Superior price discovery capability</li></ul>	<ul style="list-style-type: none"><li>• Ownership of various assets (production, storage, transportation &amp; logistics assets)</li></ul>	<ul style="list-style-type: none"><li>• Traders with deep segment knowledge</li><li>• Risk management capabilities</li><li>• Robust &amp; quick decision making</li></ul>

## Digital opportunities for Nui

<ul style="list-style-type: none"><li>• Exponential growth in data quantity &amp; speed of access</li><li>• Democratisation of information</li></ul>	<ul style="list-style-type: none"><li>• Increasing decentralisation of production assets and online services with many options available.</li></ul>	<ul style="list-style-type: none"><li>• Rise of algorithmic trading</li><li>• Increasing decision speed</li><li>• Marginalisation of human skills</li></ul>
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