

## FERROUS FOODS?

Many people believe strongly in the liberal use of commas, including the serial comma – the one that often belongs before “and” in a series. But as with many good things, it is possible to have too many commas, including too many commas before too many ands. See, for example, the SEC’s answer to its own question, “What are commodities?”<sup>2</sup>

An official website of the United States government [Here's how you know](#) ▾

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### Commodities

#### What are commodities?

Commodity futures contracts are an agreement to buy or sell a specific quantity of a commodity at a specified price on a particular date in the future. Metals, grains, and other food, as well as financial instruments, including U.S. and foreign currencies, are traded in the futures market. With limited exceptions, trading in futures contracts must be executed on the floor of a commodity exchange. Exchange-traded commodity futures and options provide traders with contracts of a set unit size, a fixed expiration date, and centralized clearing. In centralized clearing, a clearing corporation acts as a single counterparty to every transaction and guarantees the completion and credit worthiness of all transactions.

Anyone who trades futures with the public or gives advice about futures trading must be registered with the National Futures Association (NFA) <sup>σ</sup>. Before investing in commodity futures, check that the individual and firm are registered.

The SEC does not regulate commodity futures. The Commodity Futures Trading Commission (CFTC) is the federal agency that regulates futures trading. The CFTC cautions investors <sup>σ</sup> to be wary of offers for high yield investment opportunities in futures, options, or foreign exchange, also called forex. These are common areas of fraud.

For more information, please visit U.S. Commodity Futures Trading Commission <sup>σ</sup>.

Before you engage an investment professional or purchase commodities, make sure you research and verify all information: <http://smartcheck.cftc.gov/> <sup>σ</sup>.

<sup>2</sup> <https://www.investor.gov/introduction-investing/investing-basics/investment-products/commodities>.