

Daily Livestock Report

<u>E-Livestock Volume</u>	<u>6-Oct</u>	<u>3-Oct</u>	<u>29-Sep</u>
LE (E-Live Cattle):	8,978	14,700	12,824
GF (E-Feeder Cattle):	1,816	1,461	611
HE (E-Lean Hogs):	9,432	8,582	9,291

Free real-time Globex quotes: www.cmegroup.com/elivestockquotes

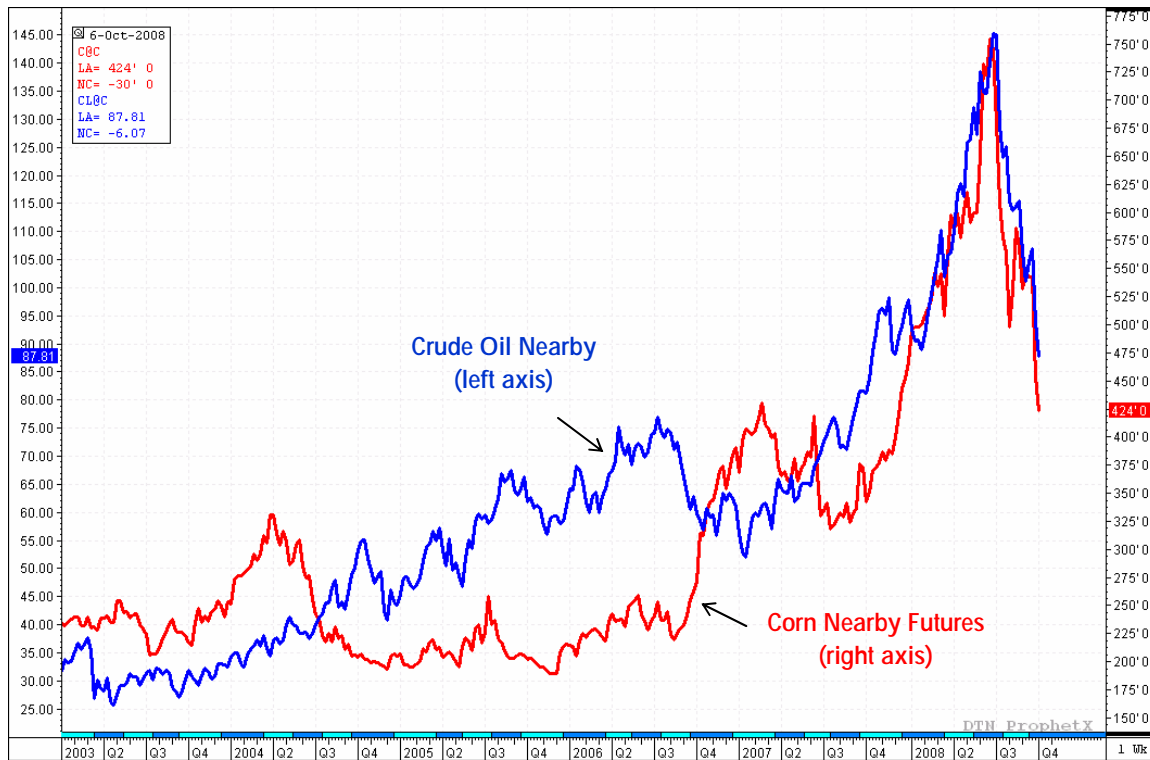
Market Comments

Notice: According to CME, effective October 24, 2008, the close of electronic trading on Fridays for Live Cattle, Feeder Cattle, Lean Hog, Frozen Pork Belly and all Dairy futures and options on CME Globex® will be extended to 1:55 p.m. CT from 1:30 p.m. CT. See full notice on page 2.

Livestock and grain markets were again rattled on Monday by the unprecedented unraveling of global equity markets.

A tremendous amount of wealth is being destroyed around the world as investors seek to reduce their exposure to a potential global recession. Live and feeder cattle futures were limit down on Friday, while lean hog futures were also sharply lower but avoided a limit down close. The only contract trading higher on the day was the October lean hog futures contract which is scheduled to go off the board and thus is driven by the more immediate cash market. Grain markets were also sharply lower with both corn and soybeans declining the daily permissible limit (30 and 70 cents, respectively). There was plenty of talk in the market about large players unwinding long positions in an effort to increase their liquidity. The appetite for risk is disappearing quickly as many investors are now clearly in survival mode, seeking to preserve enough capital to "fight another day." The Federal Reserve is currently considering an even more aggressive intervention in markets, possibly purchasing short term commercial debt. Furthermore, the FED has sharply increased the amount of funds available through its lending facilities while other world central banks have rushed to bring more liquidity to markets. Unfortunately, these moves have so far been insufficient to stem the deterioration in confidence. Regardless of what economists think of the supply and demand fundamentals in the livestock and grain markets, there is little point to discussing "true" price points when market participants are more concerned with their immediate survival. In the meantime, energy and feed prices continue to drop, which for some livestock producers may present good opportunities to hedge their feed needs. Difficult as it may be to focus on the tomorrow when today seems interminably long, people will still need to eat and business will go on. At least we hope so.

Corn and Crude Oil Futures Sharply Lower, But Still Above 2007 Average Levels



Please feel free to forward the Daily Livestock Report to others who you think will benefit from having this information. The DLR is published daily by **Steve Meyer and Len Steiner**, and distributed courtesy of Chicago Mercantile Exchange, Inc. You can **subscribe for free** by going to www.dailylivestockreport.com/subscribe.asp. To submit a comment or suggestion, please send an e-mail to: feed-back@dailylivestockreport.com. To unsubscribe from the DLR newsletter, go to www.dailylivestockreport.com/unsubscribe.asp.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is require to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

CME Group Commodity Products

Extended Friday Close for Electronic Livestock and Dairy Products

Effective October 24, 2008, the close of electronic trading on Fridays for Live Cattle, Feeder Cattle, Lean Hog, Frozen Pork Belly and all Dairy futures and options on CME Globex[®] will be extended to 1:55 p.m. CT from 1:30 p.m. CT.

For more information, please call:

John Harangody, Director, Commodity Products (312) 466-4437

Tom Clark, Associate Director, Commodity Products (312) 930-4595

Tom Sandy, Associated Director, Commodity Products (312) 930-3116

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex[®] and CME[®] are trademarks of Chicago Mercantile Exchange, Inc. CBOT[®] is the trademark of the Board of Trade of the City of Chicago.

NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc.

Copyright © 2008 CME Group. All rights reserved.