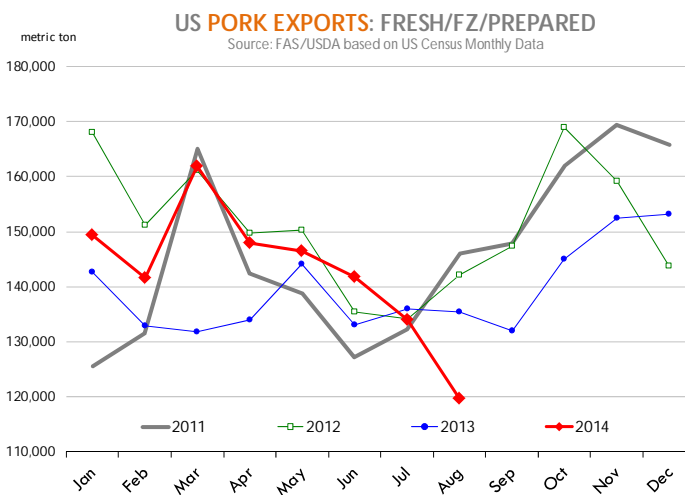
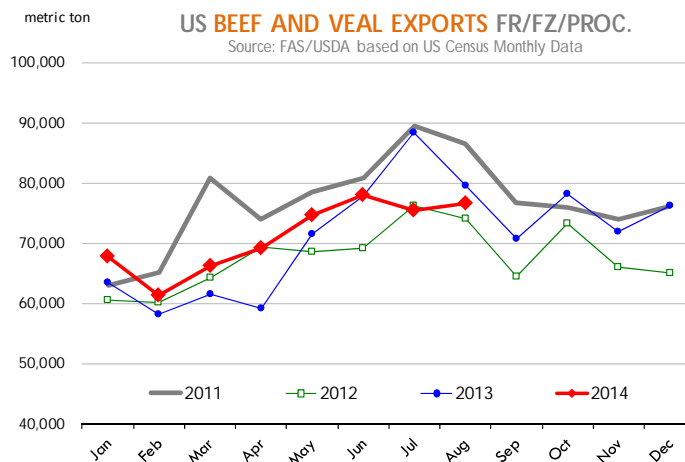


Special Notice: Yesterday afternoon we sent out a special notice from CME regarding a reduction in the CME Globex trading hours for CME livestock contracts. We have included that notice again on page 2, which has the names and CME contact information if you have any questions regarding this change.

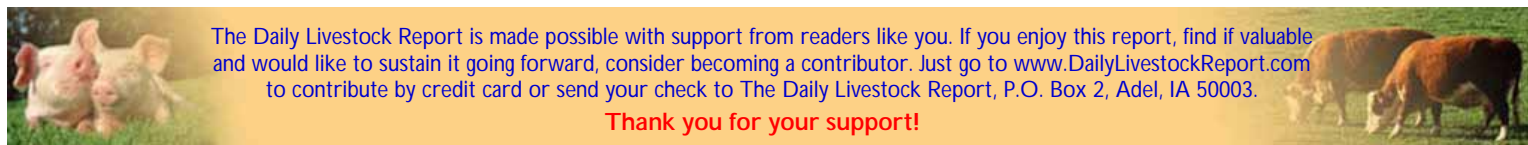
Export Update: Last week USDA updated its export data series with the latest information obtained by the US Census. Below is a brief recap from this latest update and implications for US export demand going forward.

Beef exports in August were down 3.7% compared to the previous year. The decline in beef exports in August was largely driven by lower exports to Canada and Mexico. On the other hand, export to Asia remain in good shape and based on initial data for September we are expecting shipments to Hong Kong and Japan to show increases. Beef exports to Mexico, which remains one of the top markets for US beef, were 10,999 MT in August, down 12% from a year ago. Exports to Canada at 11,067 MT were also down 24% from a year ago. We think the sharp increase in the value of the US currency further contributed to the decline in exports to NAFTA countries. In early July, it required 1.066 Canadian dollars to purchase \$1 worth of US beef. By the end of August, it took \$1.10 Canadian dollars to purchase the same amount and today it is closer to \$1.12. The decline in the purchasing power of other currencies vs. the US dollar has further amplified the impact of higher beef prices in the US and negatively impacted export volumes. It is interesting, however, that despite the strong US dollar, exports to South Korea in August were up almost 3000 MT or 43% while exports to Japan, the top market for US beef at 21,528 MT, were also 1% higher. Demand for US beef in Asian markets has been exceptionally strong and this has supported prices for cuts such as chuck rolls, briskets and short plates, which traditionally go to Asian markets. Currency rates will be especially important in 2015, especially in a tight supply environment. Asian buyers have shown they are willing to pay to secure product. If the US dollar weakens, it could make competition for some of these products even tougher than what we have seen so far.

Exports of fresh/frozen and processed pork in August were 119,726 MT, 11.6% lower than a year ago. The decline in exports would have been larger if not for about 5400 MT shipped to Russia prior to the ban on US products. Exports to China/Hong Kong have declined sharply as buyers reacted to the spike in pork prices in July. Pork prices in Asia have declined and the expectation there is that US pork prices are due to be lower in Q4, hence exporters are willing to sit on the sidelines in the short term. Seasonally pork exports are lower in the summer due to reduced supply availability and this year the decline has been much more pronounced due to the PEDv induced shortages. Exports to Japan in August were 26,726 MT, down 20% from a year ago while exports to a number of smaller markets



also declined 33%. But there were some positive signs in the August data as well. Despite the record high prices, Mexican and South American buyers continued to buy US pork. Part of this may be due to a substitution effect, faced with a spike in beef and pork prices, they have opted to buy pork that has a lower price point. Pork exports to Mexico in August were 41,660 MT, 14% higher than a year ago. Exports to Colombia also rose 59% compared to a year ago. Pork exports are normally larger in the fall, as pork supplies expand but volumes this year will likely remain constrained on supply shortages for some products (hams for example) and the lack of Russian business.



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Special Executive Report

S-7194

October 3, 2014

Reduction of CME Globex Trading Hours for CME Livestock Contracts

Based on feedback from a broad cross-section of livestock market participants, effective Monday, October 27, 2014, and pending all relevant CFTC regulatory review periods, the Chicago Mercantile Exchange Inc. will reduce the hours of trading on CME Globex for the following livestock contracts:

Contract	Globex Symbol	Rulebook Chapter
Live Cattle Futures	LE	101
Live Cattle Options	LE	101A
Live Cattle Calendar Spread Options	L0A, L0B, L0C	101B
Feeder Cattle Futures	GF	102
Feeder Cattle Options	GF	102A
Lean Hog Futures	HE	152
Lean Hog Options	HE	152A

Current CME Globex Trading Hours	CME Globex Trading Hours as of Monday, October 27
Monday 9:05 a.m. Central Time/CT-Opening	Monday 9:05 a.m. Central Time/CT-Opening
Daily trading halts 4:00 p.m. - 5:00 p.m. CT. Trading restarts at 5:00 p.m. CT and continues until 4:00 p.m. CT on Monday-Thursday.	At 4:00 p.m. CT on Monday- Thursday, the markets halt and restart at 8:00 a.m. CT on the next morning.
Friday 1:55 p.m. CT- Close	Friday 1:55 p.m. CT-Close

These contracts will continue to be available for trading on the CME trading floor and available for submission for clearing via CME ClearPort with unchanged hours.

Questions regarding this Special Executive Report may be directed to Tom Clark, Director, Agricultural Business Line Management, 312-930-4595, Thomas.Clark@cmegroup.com or Jack Cook, Director, Commodity Research & Product Development, at 312-930-3295, Jack.Cook@cmegroup.com or Matt Herrington, Manager, Commodity Research & Product Development at 312-338-2787, Matthew.Herrington@cmegroup.com.

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.