

Summary of overnight US trading session

Symbol	Market	Settlement	24hr change	24hr change %	Open*	Low*	High*
INDU Index	DOW JONES INDUS. AVG	10150.65	164.84	1.65%	9982.18	9936.62	10159.88
SPX Index	S&P 500 INDEX	1064.59	17.37	1.66%	1049.27	1039.7	1065.21
NDX Index	NASDAQ 100 STOCK INDX	1791.64	22.62	1.28%	1780.11	1747.32	1794.29
VIX Index	CBOE SPX VOLATILITY INDX	24.45	2.92	-10.67%	26.5	24.41	28.11
GCV0 Comdty	GOLD 100 OZ FUTR Oct10	1236.6	0.20	0.02%	1236.6	1232.5	1242.90
SIZ0 Comdty	SILVER FUTURE Dec10	19.074	0.052	0.27%	19.045	18.93	19.37
CLX0 Comdty	WTI CRUDE FUTURE Nov10	76.21	1.99	2.68%	76.21	73.27	75.45
NGV0 Comdty	NATURAL GAS FUTR Oct10	3.705	0.138	-3.59%	3.770	3.69	3.88
HOV0 Comdty	HEATING OIL FUTR Oct10	205.75	3.39	1.68%	200.61	199	206
W Z0 Comdty	WHEAT FUTURE(CBT) Dec10	695.000	6.500	0.94%	695.000	687.000	702.000
C Z0 Comdty	CORN FUTURE Dec10	436.000	4.000	0.93%	436.000	434.250	440.500
S X0 Comdty	SOYBEAN FUTURE Nov10	1026.000	11.500	1.13%	1016.000	1015.500	1029.000
KCZ0 Comdty	COFFEE 'C' FUTURE Dec10	178.85	6.45	3.74%	172.4	170.3	181.55
JOU0 Comdty	FCOJ-A FUTURE Sep10	134.5	0.40	0.30%	134.4	133.75	135.95
CCZ0 Comdty	COCOA FUTURE Dec10	2718	22.00	-0.80%	2747	2708	2755
SBV0 Comdty	SUGAR #11 (WORLD) Oct10	19.96	0.69	3.58%	19.32	19.26	20.32
CTV0 Comdty	COTTON NO.2 FUTR Oct10	89.03	0.21	-0.24%	89.25	88.91	90.1
LCV0 Comdty	LIVE CATTLE FUTR Oct10	98.100	0.43	-0.43%	97.900	97.650	98.825
DXY Index	DOLLAR INDEX SPOT	82.91801	0.03	0.04%	82.909	82.658	83.17001

* For the gold, silver, crude oil, natural gas and heating oil markets, the open/high/low price reflects those values scored over the 24 hours prior to the settlement of the New York day session. The open/high/low prices for the equity indices and the agricultural commodity markets reflect the values scored during the day sessions at the respective exchanges.

US Stocks

U.S. stocks fell for a third week, sending the Standard & Poor's 500 Index to its longest losing streak since February, as a record plunge in home sales raised concern the economy may relapse into a recession. Cisco Systems Inc., Caterpillar Inc. and Boeing Co. retreated at least 2.2 percent. Hewlett-Packard Co. slid 4.6 percent after waging a bidding war with Dell Inc. for 3Par Inc. The S&P 500 trimmed its weekly drop yesterday on better-than-forecast growth in the American economy and as Federal Reserve Chairman Ben S. Bernanke said the central bank is ready to provide more stimulus if needed. The S&P 500 ended the week down 0.7 percent at 1,064.59 after slumping 1.5 percent on Aug. 24 and rising 1.7 percent yesterday. The Dow Jones Industrial Average dropped 62.97 points, or 0.6 percent, to 10,150.65, extending its decline to 3 percent this month. "Investing in stocks is like being on a tightrope right now," said Michael Mullaney, who manages \$9 billion at Fiduciary Trust Co. in Boston. "The chance that we get economic acceleration is virtually nil. We're in the midst of a double dip in housing that's going to weigh heavily in the consumer's mind. Bernanke's comments were positive. If he'd said anything less than that, it would be surprising." The S&P 500 has tumbled 13 percent from its 2010 high in April amid concern the economic recovery is in jeopardy. The index had its biggest loss of this week on Aug. 24, falling 1.5 percent to a seven-week low, as the National Association of Realtors said sales of existing homes plummeted 27

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percent to a 3.83 million annual pace, the lowest in a decade of record keeping and worse than the most-pessimistic forecast from economists surveyed by Bloomberg.

Other reports showing weaker-than-estimated sales of new homes and orders for durable goods also weighed on the market this week. Technology and industrial companies, among the stocks most sensitive to economic growth, had the two biggest declines in the S&P 500 among 10 groups, falling 2.1 percent and 1.5 percent respectively. Cisco, the largest maker of networking equipment, dropped 6.4 percent to \$20.81. Caterpillar, the biggest maker of construction equipment, slid 4.3 percent to \$65.90. Boeing, the world's second-biggest commercial-jet builder, slumped 2.2 percent to \$63.16. Hewlett-Packard retreated 4.6 percent to \$38. The world's largest PC maker topped Dell in the bidding for 3Par for the third time yesterday, agreeing to pay \$30 a share, or \$2 billion, for the data-storage provider. Dell had offered \$27 a share for 3Par, matching Hewlett-Packard's previous bid. Dell started the public bidding at \$18 a share on Aug. 16.

The S&P 500's drop from the year's closing high of 1,217.28 in April dragged the gauge's valuation to 12.8 times the forecast profit of its companies, near an almost 16-month low of 12.5 on July 2. The 10 main industries in the index gained between 0.7 percent and 2.9 percent yesterday after the Commerce Department said the U.S. economy grew at a 1.6 percent annual rate in the second quarter, less than previously calculated while bigger than the 1.4 percent median forecast of economists surveyed by Bloomberg News. Separately, Bernanke said the U.S. central bank "will do all that it can" to ensure a continuation of the economic recovery.

"We are coming off some oversold conditions," said Eric Teal, chief investment officer at First Citizens Bancshares Inc. in Raleigh, North Carolina, which manages \$4.5 billion. "The fact that it looks like the Fed is going to remain accommodative has been stimulative for the markets. The overhangs from unemployment and housing are still central, but at least it appears there's more help on the way." Shares of utilities, which are popular "defensive" stocks among investors looking to preserve capital amid economic slowdowns, rose 2 percent for the top gain among 10 groups in the S&P 500 this week. Credit Suisse Group AG said the stocks are already discounting a potential future dividend-tax rate increase "in the low 30 percent range." S&P 500 utility companies have an average dividend yield of 4.3 percent, the second-highest among 10 groups. Telephone companies, which rose 1.2 percent as a group this week, pay out 5.8 percent.

"The stocks are already capturing a reset from today's 15 percent rate which should limit sustained risk of lost value and arguably leave upside if Congress avoids the planned full reset," Credit Suisse analyst Daniel Eggers wrote. PG&E Corp., owner of California's largest utility, gained 3.9 percent to \$47.63. Constellation Energy Group Inc., the Baltimore-based power producer, advanced 3.2 percent to \$29.81. Merck & Co. jumped 1.6 percent to \$35. The drugmaker filed a patent-infringement lawsuit Aug. 19 against Impax Laboratories Inc., which is seeking Food and Drug Administration approval to sell a copy of Merck's Vytarin. Quarterly reports scheduled for next week include Campbell Soup Co., the world's largest soupmaker, and H&R Block Inc., the biggest U.S. tax preparer. Brown-Forman Corp., the maker of Jack Daniel's whiskey and H.J. Heinz Co., the world's biggest ketchup maker, are also due to report results. Hiring and manufacturing growth probably cooled in August, showing companies are scaling back as the U.S. recovery shows signs of flagging, economists said before reports next week.

Precious Metals

Gold, headed for a 10th annual gain, may reach at least \$1,300 an ounce this year as investors seek a shield against financial turmoil, weak currencies and inflation, according to GFMS Ltd. "There is going to be in all likelihood a surge in investment demand toward the end of this year, driving prices toward the \$1,300 level and possibly beyond," Chief Executive Officer Paul Walker said in an interview, repeating a June forecast. "Prices are going to ratchet up." Bullion demand increased 36 percent in the second quarter as investors boosted purchases of gold-backed funds and pushed up prices to a record during Europe's sovereign-debt crisis, the World Gold Council said Aug. 25. Investors bought 291.3 metric tons of the metal in exchange-traded funds, or ETFs, the second-highest quarter on record, the producer-funded group said. "There is a wide enough group of people who are going to continue buying gold for a variety of reasons and that's going to be the key driver of price action," Walker said from Goa, India, where he spoke at a conference yesterday. "The physical market, the jewelry market, will be playing a somewhat minor supportive role in price determination going forward." Goldman Sachs Group Inc. forecast earlier this month that prices may reach \$1,300 in six months and Deutsche Bank AG said June 3 that the metal may surge to \$1,700 as currencies slump. The euro fell to a four-year low versus the dollar in June. Immediate-delivery bullion traded in London added as much as 0.4 percent to \$1,242.35 an ounce and traded at 1,233.80 at 7:38 p.m. Mumbai time yesterday.

Prices have rallied 13 percent this year in New York and reached a record \$1,266.50 on June 21 as investors sought to protect their wealth against financial woes in Europe and the prospect of slowing economic growth. Nouriel Roubini, the New York University economist who predicted the global financial crisis, said Aug. 25 U.S. expansion will be "well below" 1 percent in the third quarter and put the odds of a renewed recession at 40 percent. "There are still uncertainties looming in the global economy and that's continuously driving demand for gold," Kunal Shah, head of commodities research at Nirmal Bang Commodities Pvt., said at the Goa conference. "The risk premium which are there right now in the market can take gold to \$1,300. It has the potential to break its all-time high." Assets in the SPDR Gold Trust, the biggest exchange-traded fund backed by bullion, were unchanged at 1,297.95 tons as of Aug. 26, figures on the company's website showed. Holdings reached a record of 1,320.44 tons in June.

Gold imports by India this year may exceed 2009's level as near-record prices fail to deter buyers and festivals drive demand in the world's biggest consumer of bullion, according to the National Spot Exchange Ltd. Purchases may total 600 tons to 625 metric tons, compared with an estimated 480 tons to 485 tons bought last year, Anjani Sinha, chief executive officer of the nation's biggest bourse for trading physical gold, said in an interview today in Goa, where he is scheduled to speak at an industry conference. India's bullion demand almost doubled in the first half of the year even as prices reached a record in June as investors sought a haven and higher salaries spurred jewelry sales, the World Gold Council said this week. Demand in the second half is likely to be at least 25 percent higher from a year earlier, as the country enters the festival season, Sinha said. "This level of prices is already accepted, so during this period compared with last year, the demand will be higher," he said. "Last year was the first year when prices went up to this level. This year, prices have been around this level so people feel it might break the all-time high. Indians are not selling gold, they are buying." Gold in New York has advanced 13 percent this year, heading for its 10th annual gain, as investors sought to protect their wealth against financial turmoil in Europe and the prospect of currency debasement. New York futures reached a record \$1,266.50 an ounce on June 21 and the immediate-delivery price touched an all-time high of \$1,265.30 the same day in London. Futures for December delivery rose 20 cents to settle at \$1,237.90 yesterday on the Comex in New York. The metal added 0.7 percent this week, capping the fourth straight weekly gain.

The metal may reach at least \$1,300 this year, fueled by investment demand, said Paul Walker, chief executive officer of London-based researcher GFMS Ltd., in an interview Aug. 27. He spoke at the Goa conference yesterday. Goldman Sachs Group Inc. forecast earlier this month that prices may reach

\$1,300 in six months and Deutsche Bank AG said June 3 that the metal may surge to \$1,700 as currencies slump. The euro fell to a four-year low versus the dollar in June. Indian imports this year should reach the 2009 level as soon as this month, the World Gold Council said this week. Purchases in the first half were 348 tons, compared with 559 tons in all of last year, according to the council's data. The nation's total gold demand was 365 tons in the first six months, up from 188.4 tons a year ago, while jewelry demand surged 67 percent to 272.5 tons, according to the council. India's festival season starts next month and bullion sales usually reach a peak during the Hindu festival of Diwali, which falls on Nov. 5 this year. The wedding season runs from November to December and from late March through early May.

Energy

Crude oil surged, posting its best weekly gain since July 23, after Federal Reserve Chairman Ben S. Bernanke pledged to safeguard the economic recovery. Oil rose the most since Aug. 2 as the Standard & Poor's 500 Index jumped 1.7 percent. The Fed "will do all that it can" to ensure economic growth, Bernanke said at a speech in Jackson Hole, Wyoming. The Commerce Department reported the U.S. economy grew at a faster pace than forecast in the second quarter. "Ben Bernanke's speech earlier was very important, as was GDP," said Matt Smith, a commodities analyst for Summit Energy Inc. in Louisville, Kentucky. "We've basically seen a turnaround since then. Equity markets have rallied, and as we've seen recently, crude oil has as well." Crude oil for October delivery rose \$1.81, or 2.5 percent, to settle at \$75.17 a barrel on the New York Mercantile Exchange. Futures gained 2.3 percent this week. Prices have fallen 4.8 percent in August, the first decline since May, and risen 3.7 percent in the past year. The S&P 500 advanced to 1,064.59 at 4:13 p.m. in New York. The Dow Jones Industrial Average increased 164.84 points, or 1.7 percent, to 10,150.65. Bernanke outlined steps that policy makers on the Federal Open Market Committee might take to combat a slowing expansion. "The committee is prepared to provide additional monetary accommodation through unconventional measures if it proves necessary, especially if the outlook were to deteriorate significantly," the Fed chairman said in opening remarks to central bankers from around the world at the Kansas City Fed's annual monetary symposium.

Earlier, crude dropped as much as 1.8 percent after Bernanke said economic growth in the past year has been "too slow" and unemployment "too high." "We can read this different ways, and the way we read it says more about market sentiment than it does about Bernanke's statement or Fed policy," said Tim Evans, an analyst at Citi Futures Perspective in New York. "We could take the expression of willingness to take further action to be supportive. If we're not in the mood, we take it as indicating that the Fed is nervous about the underlying economy." The U.S. economy expanded at a 1.6 percent annual rate, according to the Commerce Department report. That was above the 1.4 percent median forecast by economists surveyed by Bloomberg News and down from an estimate of 2.4 percent issued last month. "We got a little bit of a bounce from the fact the GDP wasn't as bad as expected, then we realized it's still not good," said Phil Flynn, vice president of research at PFGBest in Chicago. "Inventories are high and demand is weakening, and we're going to hit the worst demand period of the year in the third quarter."

Petroleum supplies are at the highest level in records going back 20 years, the Energy Department reported Aug. 25. Overall petroleum stockpiles, a combination of oil and fuel supplies, climbed 8.92 million barrels, or 0.8 percent, to 1.14 billion, the highest level since at least 1990. Total products supplied, a measure of demand, fell 1.2 percent last week to 19.4 million barrels a day. Gasoline demand typically declines in the third quarter as summer consumption dwindles and refineries take units offline for scheduled maintenance before the winter heating season. Gasoline for September delivery rose 3.94 cents, or 2.1 percent, to \$1.9479 a gallon. It has fallen 7.5 percent this month.

Crude stockpiles rose 4.11 million barrels to 358.3 million barrels last week, the Energy Department said. Inventories were forecast to climb 300,000 barrels. The surplus of oil has steepened the commodity's contango, a price structure in the futures market in which each month is higher than the one before it. Oil

for delivery in December 2011 was \$7.66 more expensive than for October 2010, up from \$5.15 three weeks ago. "There has been a lot of activity in the spreads, particularly in the front end of the curve," said Carl Larry, president of Oil Outlooks & Opinions LLC in Houston. Brent crude for October gained \$1.63, or 2.2 percent, to \$76.65 a barrel on the London-based ICE Futures Europe Exchange. Oil volume in electronic trading on the Nymex was 920,236 contracts as of 3:18 p.m. in New York. Volume totaled 784,091 contracts yesterday, 27 percent above the average of the past three months. Open interest was 1.25 million contracts. Oil may rise next week after failing to break through a technical support level, a Bloomberg News survey showed. Twenty of 49 analysts, or 41 percent, forecast crude oil will increase through Sept. 3. Seventeen respondents, or 35 percent, predicted that futures will be little changed, and 12 projected a decline. Last week, 39 percent of analysts forecast a drop.

Natural gas futures may rise as high as \$4.45 per million British thermal units next week after touching an 11-month low, according to a technical analysis of the relative-strength index by Jay Levine, president of energy brokerage Enerjay LLC. The index for gas futures fell below 26 yesterday, the lowest level since March 29. Readings below 30 suggest prices will increase, while figures above 70 can be sell signals. "Historically speaking when RSI falls under 30, that signals an oversold condition," said Levine, who is based in Portland, Maine. "There is a rubber-band bounce coming and I'll be looking for anything between \$4.25 to \$4.45 next week." Natural gas for September delivery fell 5.4 cents, or 1.4 percent, to \$3.817 per million Btu, the lowest settlement price since Sept. 28. The futures have declined 32 percent this year. Before this week, the index was last below 30 on March 31, a day before prices began a 36 percent rally from \$3.81 to \$5.196 on June 16.

Grain

Natural disasters may block any increase in China's grain production this year as the worst floods in a decade ruin crops. Flooding cut harvests of early rice in the major growing areas of southern China, Xinhua News Agency cited Vice Agriculture Minister Chen Xiaohua as saying yesterday during a government inquiry on grain safety. Crops in low-lying areas of the country's fertile northeast were also damaged, he said. China's corn imports in July surged after traders bought the most overseas grain in more than 10 years to replenish shrinking domestic supplies. Early rice production this year fell 6.1 percent to 31.3 million tons, the National Bureau of Statistics said on its website yesterday. The world's most-populous country grows almost a third of the globe's rice and cotton, and produces about half its pork. "This year's weather will not reduce the output," Chen Shuwei, a manager at Beijing Orient Agribusiness Consultant Co. said in a telephone interview. "China will not have a shortage in the next one or two years." Low temperatures due to floods delayed the ripening of winter wheat by five to seven days, and spring sowing in the northeast by seven to 10 days, the minister said. Lower rice output won't stop overall summer grain production from equaling the levels of previous years, making it China's seventh year of bumper harvests, Xinhua quoted the government's Chen as saying.

Heavy rain in the northeastern province of Liaoning since July flooded the Yalu River on the border with North Korea, the region's second-worst overflow since 1949. Liaoning and neighboring Jilin should brace for further heavy rainfall this weekend, the National Meteorological Center said today. Officials at the inquiry said they are confident in the coming autumn harvest, which produces more than 70 percent of China's annual grain output, Xinhua said. The report cited Chen as saying the seeding area has been increased, and quoted Zhang Xiaoqiang, a vice minister of economic planning, as saying enough grain is in storage to prevent shortages. A rise in global grain prices won't affect prices in China due to its ample reserves, Zhang said. Imported wheat, corn and rice equal less than 1 percent of China's output, he said. Corn rose to a 14-month high yesterday on signs of increased demand for U.S. supplies, after drought reduced crops in Russia and parts of Europe, and flooding cut acreage in Canada.

Corn output in China, the world's second-biggest producer and consumer of the grain, may rise 4.8 percent this year to 165 million metric tons on increased planting and good weather conditions, according to a report this week by Cngrain.com, a portal owned by China Grain Reserves Corp., manager of state grain stockpiles. Total planted area may have expanded 2.2 percent to 471 million mu (31.4 million hectares), it said. Delayed planting and heavy rains in some regions didn't have a significant impact on crops, the report said. China probably won't order further corn imports this year as global prices climb and on speculation the domestic harvest will be better than expected, according to Wanda Futures Co., the second-biggest brokerage by volume on the Dalian Commodity Exchange.

Corn rose to a 14-month high and soybeans gained for a second straight day on signs of increased demand for U.S. supplies, after drought reduced crops in Russia and parts of Europe and flooding cut acreage in Canada. U.S. exporters sold 120,000 metric tons of soybeans to China and 180,000 tons of corn to unknown destinations for delivery after Sept. 1, the Department of Agriculture said. Sales of corn in the two weeks ended Aug. 19, for delivery in the new marketing year, were 3.987 million tons, the biggest two-week total since at least 1990. Accumulated soybean sales rose to 14.7 million for delivery after Sept. 1, the most ever before the start of a new season. "The demand for corn and soybeans has been extremely good the last two weeks," said Bill Biedermann, a senior vice president for Allendale Inc. in McHenry, Illinois. Importers who held off on purchases expecting prices to fall as the U.S. harvest began "have not covered their needs," Biedermann said. Corn futures for December delivery rose 4 cents, or 0.9 percent, to close at \$4.36 a bushel at 1:15 p.m. on the Chicago Board of Trade, after earlier touching \$4.4075, the highest level since June 2009. The price fell 0.25 cent for the week, after rising 13 percent in the prior four weeks, after Russia halted grain exports to protect domestic supplies. Soybean futures for November delivery rose 11.5 cents, or 1.1 percent, to close at \$10.26 a bushel in Chicago. The most-active futures rallied 2.2 percent for the week, the fourth gain in five weeks. On Aug. 5, the oilseed reached a seven-month high of \$10.49.

Hot, dry weather during the past month in the Midwest and South is reducing the yield potential of the two biggest U.S. crops, said Dan Basse, the president of AgResource Co. in Chicago. Some fields from South Dakota to Mississippi to Michigan have received less than 25 percent of the normal rainfall since Aug. 1, data from the High Plains Regional Climate Center show. Temperatures averaged as much as 6 degrees Fahrenheit above normal in the Midwest in the past month. About 15 percent of the Midwest growing region and 35 percent of the lower Mississippi River Valley have been affected by the hot, dry weather, Joel Widenor, director of agricultural services for the Commodity Weather Group LLC in Bethesda, Maryland, said in a report today. Dry weather expected during the next 10 days will stunt development of corn kernels and the filling of pods with soybeans, Widenor said. "The heat and dryness are becoming a problem, reducing yield potential, especially for corn," said Basse, who forecast corn prices will rise to \$5.25. "The U.S. crops are shrinking." Corn is the biggest U.S. crop, valued at \$48.6 billion in 2009, government figures show, followed by soybeans at \$31.8 billion. The U.S. is the world's largest grower and exporter of both crops.

Softs

Cotton prices dropped from a 30-month high in New York amid signs of speculative selling. Orange juice gained. The second-biggest bet for cotton-options trading is for prices to fall to 75 cents by December, according to data compiled by Bloomberg. That would be 13 percent below today's close. Earlier, cotton rose to 87.3 cents a pound, the highest level since March 6, 2008, on concern that global supplies continue to lag behind demand. "Option-related selling took prices into new lows for the day," said Mike Stevens, an independent trader in Mandeville, Louisiana. "The fundamental story remains intact." Cotton for December delivery fell 0.08 cent, or 0.1 percent, to settle at 86.07 cents at 2:33 p.m. on ICE Futures U.S. in New York. The fiber climbed 3 percent this week and has advanced 49 percent in the past year on forecasts for use to exceed production. Consumption will increase to 25.715 million metric tons from

24.934 million a year earlier, the Birkenhead, England- based researcher said today in an e-mailed report. China, the world's biggest consumer, sold all 14,143 metric tons of cotton offered today from state reserves at an auction, the nation's cotton association said in a statement, a sign of rising domestic demand. Orange-juice futures for September delivery rose 0.3 cent, or 0.2 percent, to close at \$1.37 a pound in New York, rising for the first time in three days. The commodity advanced 0.2 percent for the week, the first weekly gain in a month.

Robusta coffee, down 12 percent this month in London trading, may fall a further 5 percent to \$1,515 a metric ton, according to technical analysis by Sudden Financial using Fibonacci levels. The attached chart shows how a drop to \$1,515 would be a 61.8 percent retracement of the rally from the May 25 low of \$1,313 to the high on Aug. 2 of \$1,827. "London coffee futures have made a 50 percent retracement and could descend into a previous congestion area with a target near \$1,515, which may also be a support," said Brenda Sullivan, head of research at the brokerage firm in London. Global coffee production will rise 11 percent to a record 139.7 million 60-kilogram bags in 2010-11, the U.S. Department of Agriculture's Foreign Agricultural Service estimated in June. Robusta output will advance 6.4 percent to 53.72 million bags. The contract for November delivery rose 0.4 percent to \$1,597 a ton on the NYSE Liffe exchange yesterday. Robusta, grown mostly in Asia and parts of Africa, is used in instant coffee and espresso. In technical analysis, investors and analysts study charts of trading patterns and prices to predict changes in a security, commodity, currency or index. Fibonacci analysis is based on the theory that prices tend to drop or climb by certain percentages after reaching a high or low.

Live Cattle

Cattle futures fell for a fourth straight day on speculation that U.S. meat demand will slow after the Labor Day holiday as the weather cools. The holiday, celebrated Sept. 6 this year, is considered the end of the summer grilling season, said Lane Broadbent, a vice president at KIS Futures Inc. Tight livestock supplies and rising meat consumption have sent wholesale-beef prices up 15 percent in the past year and pork rallied 67 percent. "Our domestic demand should soften up a little bit," Broadbent said from Oklahoma City. "After Labor Day, it gets pretty thin on what kind of beef demand we're going to have. We're getting into an area where there's no demand." Cattle futures for October delivery dropped 0.425 cent, or 0.4 percent, to close at 98.1 cents a pound at 1 p.m. on the Chicago Mercantile Exchange. The four day slump is the longest since May 17 and capped a 1.2 percent decline for the week. Feeder-cattle futures for October delivery fell 0.45 cent, or 0.4 percent, to \$1.17 a pound. Hog futures for October settlement fell 0.975 cent, or 1.3 percent, to 74.825 cents a pound in Chicago. The four-day decline is the longest since June 7. The price fell 3.1 percent this week. Wholesale-beef prices gained 8.2 percent this month through yesterday to \$1.643 a pound, U.S. Department of Agriculture data show. Pork prices have dropped 3.1 percent in the past two days to 93.73 cents. Cattle prices also dropped on speculation that slaughter-ready animals will be heavier when they are sold to beef processors, adding to the amount of meat each will produce, Broadbent said. Feeder cattle also are fatter than normal before they get to feedlots, after grazing on pastures, he said. "We're going to see a lot of cattle" coming to slaughterhouses weighing more, Broadbent said. "In Oklahoma and Kansas, they've had enough rain, so the grass is good. Cattle coming off of pasture are heavy. In 45 days, we're going to see large amounts of cattle because they're coming off grass now."

Source: Bloomberg News