

Summary of overnight US trading session

Symbol	Market	Settlement	24hr change	24hr change %	Open*	Low*	High*
INDU Index	DOW JONES INDUS. AVG	10009.73	140.92	-1.39%	10145.58	10007.68	10150.57
SPX Index	S&P 500 INDEX	1048.92	15.67	-1.47%	1062.9	1048.79	1064.4
NDX Index	NASDAQ 100 STOCK INDX	1772.07	19.57	-1.09%	1785.98	1772.07	1798.47
VIX Index	CBOE SPX VOLATILITY INDX	27.21	2.76	11.29%	25.88	25.41	27.21
GCV0 Comdty	GOLD 100 OZ FUTR Oct10	1238	1.40	0.11%	1238	1234	1239
SIZ0 Comdty	SILVER FUTURE Dec10	19.074	0.000	0.00%	19.095	19.02	19.27
CLX0 Comdty	WTI CRUDE FUTURE Nov10	75.91	0.30	-0.39%	75.91	75.27	76.67
NGV0 Comdty	NATURAL GAS FUTR Oct10	3.812	0.107	2.89%	3.805	3.69	3.87
HOV0 Comdty	HEATING OIL FUTR Oct10	203.77	1.98	-0.96%	203.7	202	206
W Z0 Comdty	WHEAT FUTURE(CBT) Dec10	704.500	9.500	1.37%	715.000	703.000	729.000
C Z0 Comdty	CORN FUTURE Dec10	441.500	5.500	1.26%	443.000	441.250	445.000
S X0 Comdty	SOYBEAN FUTURE Nov10	1022.500	3.500	-0.34%	1031.000	1020.500	1032.500
KCZ0 Comdty	COFFEE 'C' FUTURE Dec10	181.4	2.55	1.43%	179.7	176.8	184.3
JOU0 Comdty	FCOJ-A FUTURE Sep10	137.6	3.10	2.30%	134.3	133.8	137.85
CCZ0 Comdty	COCOA FUTURE Dec10	2714	4.00	-0.15%	2721	2705	2746
SBV0 Comdty	SUGAR #11 (WORLD) Oct10	19.81	0.15	-0.75%	19.96	19.5	20.14
CTV0 Comdty	COTTON NO.2 FUTR Oct10	89.37	0.34	0.38%	89.08	88.89	89.99
LCV0 Comdty	LIVE CATTLE FUTR Oct10	98.050	0.05	-0.05%	98.200	97.850	98.600
DXY Index	DOLLAR INDEX SPOT	83.178	0.26	0.31%	82.839	82.75101	83.201

\* 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, erasing the previous session's advance, after a smaller-than-forecast gain in personal incomes added to concern the economic rebound may slow further. Bank of America Corp., Home Depot Inc. and American Express Co. lost at least 2.4 percent to help lead the Dow Jones Industrial Average lower after government data showed income growth failed to keep up with the biggest increase in consumer spending since March. Intel Corp. slipped 2.2 percent after agreeing to buy Infineon Technologies AG's wireless unit for about \$1.4 billion. The Standard & Poor's 500 Index slipped 1.5 percent to 1,048.92 as of 4 p.m. in New York. The Dow fell 140.92 points, or 1.4 percent, to 10,009.73. On U.S. stock exchanges, 5.79 billion shares changed hands, the fewest this year. "The increase in spending in July was encouraging, it was slightly better than expected, but the drop in disposable income raises further questions about the sustainability of that spending increase," said Alan Gayle, senior investment strategist at RidgeWorth Capital Management in Richmond, Virginia, which oversees \$63 billion. "The report reinforces the belief that organic economic growth remains lackluster and the recovery is fragile." Financial companies, chipmakers and retailers led declines in all 24 industry groups in the S&P 500 after government data showed personal incomes climbed 0.2 percent in July, less than the 0.3 percent projected in a Bloomberg survey of economists. Personal spending rose 0.4 percent, Commerce

Department figures showed. Disposable incomes, or the money left over after taxes, dropped for the first time since January after adjusting for inflation.

Bank of America, the biggest U.S. bank by assets, slumped 2.5 percent to \$12.32, the lowest in 13 months. Home Depot, the largest home-improvement retailer, decreased 2.6 percent to \$27.99. American Express tumbled 2.5 percent to \$39.89. Intel slipped 41 cents to \$17.96. The world's largest chipmaker agreed to buy Infineon's wireless unit, gaining a foothold in the mobile-phone business it has struggled to crack for more than a decade. The all-cash transaction is expected to close in the first quarter of 2011, Infineon, Europe's second-largest semiconductor maker, said today. Lockheed Martin Corp. fell 2 percent to \$70.22. The world's largest defense contractor was downgraded to "market perform" from "outperform" at Wells Fargo Securities LLC.

Texas Instruments Inc. declined 3.7 percent to \$23.25. The second-largest U.S. chipmaker was downgraded to "neutral" from "positive" at Susquehanna Financial Group, which cited "broad macro weakness." KeyCorp fell 4.1 percent to \$7.27, pacing losses among banks, after Collins Stewart Inc. reduced its 12-month price target to \$9 from \$10, citing "weak core profitability and dependence on reserve release." DG Fastchannel Inc. plunged 38 percent to \$15.11, the most in the Russell 2000 Index. The operator of an electronic network linking advertising agencies with television and radio stations said it terminated a 2007 credit agreement and plans talks with lenders to negotiate a new credit line. The company also said third-quarter revenue won't exceed \$53 million, falling short of the \$61.5 million average analyst estimate, according to Bloomberg data. The S&P 500 erased almost all of its 1.7 percent rally from Aug. 27 when Federal Reserve Chairman Ben S. Bernanke vowed to safeguard the economy. The S&P 500 still dropped 0.7 percent last week as disappointing home sales bolstered concern the recovery is at risk. The gauge has tumbled 14 percent from its 2010 peak on April 23.

Barclays Capital reduced its year-end S&P 500 forecast for 2010 to 1,120 from 1,220 late Aug. 27, saying "the market- implied probability of recession increases." "We haven't given up on a late-2010 rally," wrote New York-based Barclays strategist Barry Knapp in a note to clients. "However, a number of factors will need to fall into place," he said, including an extension of the Bush tax cuts, a change in control of Congress and a return of the Fed's asset-buying program known as "quantitative easing." Mohamed El-Erian, the chief executive officer of Pacific Investment Management Co., said on Bloomberg Radio and TV that the Fed is "carrying too much of the burden" in the economic recovery. "I think the most important thing right now is not just to be worried about the return on your capital, but also to be worried about the return of your capital," said El-Erian, who is based in Newport Beach, California. "So we would say be cautious, there will be a lot of opportunities down the road to deploy dry powder, but be cautious at this stage," he said.

Investors will also get reports on manufacturing and payrolls later in the week to assess whether the economic rebound is faltering. Speaking at the Fed's annual conference in Jackson Hole, Wyoming on Aug. 27, Bernanke said the central bank has the tools to prevent the U.S. economy from slipping back into a recession, while stopping short of indicating an immediate need for more stimulus. Analysts are turning more pessimistic even as they push up estimates for profit growth among S&P 500 companies to 36 percent, the highest since 1988. For the first time since at least 1997, fewer than 29 percent of ratings for stocks covered by brokerages worldwide are "buys," according to almost 160,000 recommendations compiled by Bloomberg.

"We will continue to struggle with: Is the pace continuing to slow further or is that pace continuing to pick up?" said Timothy Ghriskey, chief investment officer at Solaris Asset Management in Bedford Hills, New York, which manages \$2 billion. "Bigger news we're seeing today is continued acceleration in M&A. It's not reacting positively to it in the overall market, which is somewhat surprising. There is this overhang about macroeconomic issues." Genzyme Corp. advanced 3.4 percent to \$69.91, the most in the S&P 500, after France's Sanofi-Aventis SA made an \$18.5 billion cash offer for the U.S. biotechnology

company. Sanofi offered to buy the company for \$69 a share in cash, taking its bid public after the U.S. company refused to negotiate. Genzyme shares have gained 43 percent in New York trading this year. Cogent Inc. surged 24 percent to \$11.09. 3M Co. said it agreed to buy the maker of biometric devices for \$10.50 a share. The deal is valued at about \$943 million, or about \$430 million net of cash, the companies said. 3M fell 1.7 percent to \$79.65.

Hewlett-Packard Co. rallied 1.5 percent to \$38.56. The personal-computer maker that's engaged in a \$2 billion bidding war for data-storage provider 3Par Inc. said its board approved an additional \$10 billion for share repurchases. UAL Corp. gained 1.3 percent to \$20.71. The U.S. government cleared the merger to create the world's largest carrier between the owner of United Airlines and Continental Airlines Inc. The \$3 billion all-stock deal awaits shareholder approval next month. Continental advanced 2.6 percent to \$22.36. AMR Corp. climbed 2.2 percent to \$6.17. Emirates Airline President Tim Clark denied speculation his company may buy a stake in the owner of American Airlines. Noble Energy Inc. rose 2 percent to \$68.56 for the second- biggest gain in the S&P 500. The oil and natural-gas producer was raised to "outperform" from "market perform" at BMO Capital Markets Ltd., which cited "the oil-prone resource potential of the Niobrara found in Colorado and parts of Wyoming now being aggressively exploited by Noble." QLogic Corp. rose 0.9 percent to \$14.94. The supplier of chips and switches for corporate networks said its board authorized a program to repurchase up to an additional \$200 million of the company's outstanding common stock over a period of up to two years.

### Precious Metals

Gold futures rose, extending this month's rally, as a decline in U.S. equities underpinned demand for the metal as a haven. Stocks fell, extending three weeks of losses, after slower- than-forecast growth in personal incomes added to concern that the economic rebound is sluggish. Gold has gained 13 percent this year, reaching a record \$1,266.50 an ounce in June. "Amid all this negativity on the housing market, the economy, and thus the stock market, we find it to be an easy argument to make that gold prices will benefit due to competition with these other assets," said Tom Pawlicki, an analyst at MF Global Holdings Ltd. in Chicago. Gold futures for December delivery rose \$1.30 to settle at \$1,239.20 at 1:39 p.m. on the Comex in New York. The metal has climbed 4.7 percent in August. Federal Reserve Chairman Ben S. Bernanke said on Aug. 27 that the central bank will "will do all it can" to ensure a recovery. The economy grew 1.6 percent in the second quarter, less than the government predicted last month. The Fed has kept the main interest rate at zero percent to 0.25 percent since December 2008 to revive the economy. The central bank has also purchased mortgage-backed securities to help push down borrowing costs to support the housing market. "Gold can benefit from a selloff in equities on fear, or it can rally on expectations of quantitative easing," said Frank McGhee, the head dealer at Integrated Brokerage Services LLC in Chicago. Silver futures for December delivery were unchanged at \$19.074 an ounce. The metal has gained 5.9 percent this month. Platinum futures for October delivery fell \$3.90, or 0.3 percent, to \$1,533.10 an ounce on the New York Mercantile Exchange. Palladium futures for December delivery declined \$4.55, or 0.9 percent, to \$500.10 an ounce.

### Energy

Crude oil fell for the first time in four days as slower-than-forecast growth in personal incomes in July heightened concern the economy is struggling to recover. Oil fell from the highest level in more than a week after the Commerce Department reported that incomes rose 0.2 percent, less than the 0.3 percent median estimate of 66 economists surveyed by Bloomberg News. The dollar climbed against the euro, curbing the appeal of commodities as an alternative investment. "You do have a lot of evidence that the economy is just stalling," said Bill O'Grady, chief market strategist at Confluence Investment Management in St. Louis. "Policy makers are all making a brave face and saying we've got plenty of

tools available, but I'm starting to think they're running out of tricks." Oil for October delivery fell 47 cents, or 0.6 percent, to settle at \$74.70 a barrel on the New York Mercantile Exchange. Futures have tumbled 5.4 percent this month, the first decline since May. Prices have risen 2.7 percent in the past year. The dollar gained 0.8 percent against the euro, the most since Aug. 20. The U.S. currency traded at \$1.2667 per euro at 3:16 p.m. in New York, compared with \$1.2763 on Aug. 27. The Standard & Poor's 500 Index fell 1.1 percent to 1,053.13, and the Dow Jones Industrial Average lost 102.86 points, or 1 percent, to 10,047.79.

The U.S. economy grew at a 1.6 percent annual rate in the second quarter, less than previously estimated, according to revised figures from the Commerce Department released Aug. 27. Federal Reserve Chairman Ben S. Bernanke pledged last week that the Fed "will do all that it can" to ensure economic growth. He outlined steps that policy makers on the Federal Open Market Committee might take to combat slowing expansion in an Aug. 27 speech in Jackson Hole, Wyoming. Oil prices rose 2.3 percent last week, the biggest increase since the period ended July 23. "We could see prices move lower here, especially with all the data coming out that shouldn't be particularly bullish," said Matt Smith, a commodities analyst for Summit Energy in Louisville, Kentucky. Economic reports due this week include the S&P/Case-Shiller home-price index and the Conference Board's confidence index tomorrow and the Institute for Supply Management's manufacturing data Sept. 1. A government report Sept. 3 will likely show nonfarm payrolls fell by 100,000 in August, according to the median forecast of economists surveyed by Bloomberg. The jobless rate climbed to 9.6 percent from 9.5 percent, it may show.

"The drop is a reaction to oil's massive increase last week, as U.S. economic data remains weak," said Eugen Weinberg, head of commodity research at Commerzbank AG in Frankfurt. Petroleum supplies were at the highest level in records going back 20 years in the week ended Aug. 20, the Energy Department reported last week. Overall petroleum stockpiles, a combination of oil and fuel supplies, climbed 8.92 million barrels, or 0.8 percent, to 1.14 billion. Total products supplied, a measure of demand, fell 1.2 percent in the period to 19.4 million barrels a day. Oil inventories probably rose 1.5 million barrels last week from 358.3 million in the week ended Aug. 20, according to the median estimate of 11 analysts surveyed by Bloomberg News before the government report this week. OPEC oil output fell to a seven-month low in August, a Bloomberg News survey showed. Iraq led the drop because of a pipeline hobbled by a bombing. Production slipped 75,000 barrels, or 0.3 percent, to average 29.15 million barrels a day. Output by members with quotas, all except Iraq, declined 5,000 barrels to 26.805 million, 1.96 million above their target.

Brent crude for October settlement fell 5 cents to \$76.60 a barrel on the ICE Futures Europe Exchange in London. Most offices in the U.K. are closed today for a bank holiday. Brent cost \$1.90 a barrel more than New York futures, the strongest premium since May 20. The spread widened amid concern U.S. fuel demand may weaken as the peak summer gasoline consumption period ends and on expectations of higher European fuel demand. Oil also fell as Hurricane Earl was forecast to bypass the Gulf of Mexico, the main U.S. oil-producing region. Earl, which strengthened to a major hurricane today, was 140 miles (230 kilometers) east-northeast of San Juan, Puerto Rico, just before 1 p.m. Miami time, according to the U.S. National Hurricane Center. It's forecast to move parallel to the U.S. East Coast. Oil volume in electronic trading on the Nymex was 495,674 contracts as of 3:18 p.m. in New York. Volume totaled 978,936 contracts Aug. 27, 58 percent above the average of the past three months and the highest level since May 19. Open interest was 1.24 million contracts.

## Grains

Corn futures rose to a 14-month high as dry weather damages crops in U.S., the biggest producer and exporter. Parts of Indiana got less than 5 percent of normal moisture this month, and large areas of Illinois, Ohio, Missouri, Michigan and Kentucky had less than 25 percent of the usual amount of rain, said Allen Motew, a meteorologist at QT Weather in Chicago. Temperatures averaged at least 4 degrees Fahrenheit above normal from Mississippi to Ohio in the past 30 days. "The hot, dry weather is reducing yield potential," said Greg Grow, the director of agribusiness for Archer Financial Services Inc. in Chicago. "People are betting that the U.S. yield will be smaller than the government forecast earlier this month." Corn futures for December delivery rose 5.5 cents, or 1.3 percent, to close at \$4.415 a bushel at 1:15 p.m. on the Chicago Board of Trade. Earlier, the price reached \$4.4525, the highest level for a most-active contract since June 15, 2009. Last week, futures were little changed after jumping 13 percent in the previous four weeks as Russia halted grain exports following the most-severe drought in at least 50 years. U.S. corn production will reach 13.365 billion bushels, 1.9 percent more than 2009's record crop, the U.S. Department of Agriculture said on Aug. 12. The government is scheduled to update its crop forecasts on Sept. 10. Early reports indicate "disappointing" yields in the Midwest, Darrel Good, an agricultural economist at the University of Illinois, said in a report today. "It is a little dangerous to base expectations on early results because the driest areas tend to be harvested first," Good said. "With year-ending stocks already projected to be less than 10 percent of projected consumption, a lower average yield would point to very tight" supplies, Good said. Corn is the biggest U.S. crop, valued at \$48.6 billion in 2009, government data show.

Wheat prices rose the most in a week on speculation that dry weather will reduce output more than forecast in Argentina and Russia. Argentina is "too dry," and more rain is needed to boost yields in Russia and Ukraine, where growers are preparing to plant winter wheat, according to T-Storm Weather in Chicago. Wheat futures have jumped 47 percent since the end of June as adverse weather reduced harvests and crop prospects. "There are a few mounting concerns about dryness," said Dewey Strickler, the president of Ag Watch Market Advisers in Nashville, Tennessee. "We could be looking at a situation where wheat stocks are going down a bit." Wheat futures for December delivery rose 9.5 cents, or 1.4 percent, to close at \$7.045 a bushel at 1:15 p.m. on the Chicago Board of Trade, the biggest gain since Aug. 23. Futures have gained 6.5 percent this month, partly because the drought in Russia curbed production. Last year, the U.S. was the largest wheat exporter. Canada and Russia were tied for second, followed by Australia, Ukraine, Kazakhstan and Argentina, U.S. Department of Agriculture data show. Demand for U.S. inventories may rise as global output declines. Worldwide stockpiles may fall 9.9 percent to 174.8 million metric tons, the USDA said this month. The government said today it inspected 25.5 million bushels for overseas delivery in the week ended Aug. 26, up 3.6 percent from a week earlier. The amount jumped 73 percent in three weeks. Wheat is the fourth-biggest U.S. crop, valued at \$10.6 billion in 2009, behind corn, soybeans and hay, government data show.

## Softs

Raw-sugar imports by China, the third-largest producer, may surge by as much as 42 percent in 2010 after domestic output dropped for a second straight year and demand increased, according to a survey. Purchases may reach 1.5 million metric tons compared with 1.06 million in 2009, three of five China-based analysts and traders said last week. Imports may be at least 1 million tons, with amounts above that level determined by demand, the other two said. A total of 1.5 million tons would be the highest since at least 2005, according to customs data compiled by Bloomberg. Increased purchases by China may help futures extend a 54 percent surge since May that's been driven by stronger global demand and damage to crops in Indonesia and Pakistan. China's government has been selling sugar from state stockpiles at a record rate this year to plug a shortfall, according to Gao Wang at Beijing Orient Agribusiness Consultant Co. "China is likely to step into the market when the sugar price declines,

not at the current level," said Piromsak Sasunee, chief executive officer at Thai Sugar Trading Corp., the country's largest exporter. "Purchases will help support the market," Piromsak, who didn't participate in the survey, said from Bangkok today. Thailand is Asia's largest shipper. Raw sugar for October delivery on ICE Futures U.S. in New York closed at 19.96 cents per pound on Aug. 27 after touching a high of 20.32 cents on concern that dry weather may hurt output in Brazil, the largest grower. The most-active contract dropped to 13 cents in intraday trading on May 7.

"The state reserve will want to gauge China's own crop size before they make plans for overseas purchases," said Gao, the Beijing Orient analyst, forecasting shipments of 1 million to 1.5 million tons in the survey. "It makes no sense for China to buy when New York sugar prices are above 20 cents." Jonathan Kingsman, managing director of researcher and broker Kingsman SA, said on Aug. 21 that China's state sales had "used most of its reserves." The nation may start buying again to rebuild its holdings, Kingsman said. Refined sugar on China's Zhengzhou Commodity Exchange gained 17 percent from the year's low on May 18 and the close on Aug. 27. The most actively traded contract for May delivery was at 5,454 yuan (\$802) per ton at 10:11 a.m. local time today. Prices have climbed even amid the state stockpile auctions.

Raw-sugar output in China fell 16 percent to 13.3 million tons in 2008-2009, and declined further to 11.6 million tons in 2009-2010, according to the U.S. Department of Agriculture, after drought and a fall in acreage. Demand this year may be 14.9 million tons, according to the USDA. China's 2010-2011 sugar crop may gain 2 million tons to 12.5 million tons, the first increase in two years, said Song Lu, an analyst at Dongwu Futures Co., who forecast imports of 1.5 million tons in the survey. Sugar demand has been rising in the world's most populous nation on increased sales of cakes and drinks. The food- manufacturing industry grew 15.7 percent in the first seven months of 2010 in terms of industrial value-added, according to the National Statistics Bureau. The beverage industry grew 13.6 percent in the same period compared with a year ago, it said. Imports between January and July were 716,000 tons, 17 percent less than in the same period last year, according to customs data. Still, July's shipments were more than twice the amount a year earlier at a record 305,781 tons, the data showed. The top three suppliers are Brazil, Cuba and South Korea.

The government sold about 1.47 million tons from state stockpiles in seven auctions in the year to Sept. 30, according to data compiled by Bloomberg. Beijing Orient's Gao said that volume may be a record, and estimated that more than 1 million tons of raw sugar remain in government warehouses. At the latest auction, held Aug. 12, all the 150,000 tons on offer were sold at an average price of 5,417.73 yuan a ton, about 170 yuan per ton more than in the previous auction in July. The survey respondents also included Liu Qingli, an analyst at GF Futures Co. in Guangzhou; Xi Datong, chief representative at Bunge London Ltd. in Beijing, who gave a personal view; and Tang Fenglei, an analyst at Zheshang Futures Co. in Hangzhou.

Arabica coffee gained for the third straight session on concern that supplies from South America will be limited. Sugar and cocoa prices declined. Global coffee production is rising more slowly than demand, which will probably increase 2 percent a year over the next decade, Luis Genaro, the chief executive officer of Colombia's National Federation of Coffee Growers, said last week. The commodity has gained 33 percent this year. "The short-term fundamentals are bullish," said Rodrigo Costa, the vice president of institutional sales at Newedge USA LLC in New York. "Some funds are buying." Arabica coffee for December delivery gained 2.55 cents, or 1.4 percent, to settle at \$1.814 a pound at 2 p.m. on ICE Futures U.S. in New York. The price gained 7.4 percent in the previous two sessions. On Aug. 23, the most-active contract reached \$1.8865, the highest level since Sept. 11, 1997. The market has a "serious lack" of mild Arabica beans, and supplies won't improve until October, Macquarie Group Ltd. said on Aug. 18. Arabica is grown mainly in Latin America and brewed by specialty companies including Starbucks Corp. Brazil is the biggest grower of the variety. Robusta beans, used in instant coffee, are harvested mostly in

Asia and parts of Africa. Raw-sugar futures for October delivery declined 0.15 cent, or 0.8 percent, to close at 19.81 cents a pound. The price has dropped 26 percent this year. Cocoa futures for December delivery fell \$4 to settle at \$2,714 a metric ton. London markets were closed for a public holiday.

Cotton prices rose in New York on speculation that supplies will be tight. Orange-juice futures climbed the most in two months. Global cotton inventories will reach 45.6 million bales by the end of the current marketing year on July 31, the U.S. Department of Agriculture forecasts. That would be the lowest level since 1997. Last week, the commodity touched the highest price since March 2008 on concern that worldwide demand will outpace supplies. "The harvest in the Northern Hemisphere has commenced," said Keith Brown, the president of Keith Brown & Co., a brokerage in Moultrie, Georgia. "This is the market's first chance to gain on tight stocks." Cotton futures for December delivery rose 0.36 cent, or 0.4 percent, to settle at 86.43 cents a pound at 2:43 p.m. on ICE Futures U.S. in New York. The fiber has jumped 48 percent in the past year. Higher prices in other agricultural markets may also be giving cotton a boost, Brown said. Corn futures rose to a 14-month high on speculation that dry weather will hurt U.S. crops. Cotton advanced to 87.3 cents last week, the highest level since March 6, 2008. The price has climbed 9.7 percent in August, heading for the biggest monthly gain since February. Hedge-fund managers and other large speculators have boosted bets that prices will continue to rise. Net-long positions on cotton futures on ICE rose to 47,599 contracts in the week ended Aug. 24, the highest level since March 2008, government data show. A bale weighs 480 pounds (218 kilograms). Orange-juice futures for November delivery rose 3.35 cents, or 2.4 percent, to close at \$1.4035 a pound at 2 p.m. in New York in the biggest gain for a most-active contract since June 30. Prices have advanced 8.8 percent this year.

### Live Cattle

Hog futures rose for the first time in a week as U.S. pork exports increased and animal supplies fell. Cattle dropped, extending the longest slump in 10 months. Wholesale pork reached a record 96.74 cents a pound on Aug 24 and dropped 3.6 percent since then, U.S. data show. A 3.1 percent decline in futures last week was overdone because demand remains ample, said Parker McMahan, a senior account executive at Price Futures Group in Chicago. In the first half of 2010, the U.S. exported 7.9 percent more pork than a year earlier. "We've had a nice pullback here in prices, but the world is not getting any smaller, and we're not running out of mouths to feed," McMahan said. Hog futures for October settlement rose 0.05 cent to close at 74.875 cents a pound at 1 p.m. on the Chicago Mercantile Exchange. The most-active contract has gained 14 percent this year after losses in 2008 and 2009 prompted farmers to slash herd sizes. Meatpackers processed 2.11 million hogs last week, or 4.2 percent less than a year earlier, U.S. Department of Agriculture data show. Pork prices declined last week after grocers finished stocking up on meat for the U.S. Labor Day holiday on Sept. 6, when many people grill outdoors, said Rich Nelson, the director of research at Allendale Inc. in McHenry, Illinois.

Cattle futures for October delivery declined 0.05 cent to 98.05 cents a pound, dropping for the fifth straight session, the longest slide since late October. The most-active contract is up 3.6 percent this month. Feeder-cattle futures for October settlement slipped 1.075 cents, or 0.9 percent, to \$1.15925 a pound. Futures declined in tandem with U.S. equities amid speculation that demand for beef will shrink. The Standard & Poor's 500 Index dropped 1.5 percent. "The stock market should exert a minor bearish influence," Nelson said. Earlier, cattle climbed as much as 0.6 percent on speculation that U.S. slaughterhouses will buy more animals as beef prices increase. Meatpackers processed 678,000 cattle last week, up 1.6 percent from a week earlier, USDA data show. Wholesale choice beef has climbed 7.8 percent this month to \$1.6374 a pound at midday.

Source: Bloomberg News