

Summary of overnight US trading session

| Symbol | Market | Settlement | 24hr change | 24hr change % | Open* | Low* | High* |
|-------------|--------------------------|------------|-------------|---------------|----------|----------|----------|
| INDU Index | DOW JONES INDUS. AVG | 10269.47 | 254.75 | 2.54% | 10016.01 | 10016.01 | 10279.08 |
| SPX Index | S&P 500 INDEX | 1080.29 | 30.96 | 2.95% | 1049.72 | 1049.72 | 1081.3 |
| NDX Index | NASDAQ 100 STOCK INDX | 1820.05 | 52.62 | 2.98% | 1791.91 | 1791.41 | 1824.66 |
| VIX Index | CBOE SPX VOLATILITY INDX | 23.89 | 2.16 | -8.29% | 25.13 | 23.86 | 25.13 |
| GCV0 Comdty | GOLD 100 OZ FUTR Oct10 | 1246.8 | 2.20 | -0.18% | 1246.8 | 1243.2 | 1255.3 |
| SIZ0 Comdty | SILVER FUTURE Dec10 | 19.393 | 0.039 | -0.20% | 19.393 | 19.32 | 19.53 |
| CLX0 Comdty | WTI CRUDE FUTURE Nov10 | 75.36 | 1.82 | 2.47% | 75.36 | 73.31 | 75.85 |
| NGV0 Comdty | NATURAL GAS FUTR Oct10 | 3.762 | 0.054 | -1.42% | 3.855 | 3.7 | 3.87 |
| HOV0 Comdty | HEATING OIL FUTR Oct10 | 204.11 | 4.94 | 2.48% | 203.34 | 198 | 205 |
| W Z0 Comdty | WHEAT FUTURE(CBT) Dec10 | 708.750 | 23.000 | 3.35% | 706.000 | 693.000 | 710.500 |
| C Z0 Comdty | CORN FUTURE Dec10 | 446.750 | 7.500 | 1.71% | 446.500 | 442.000 | 447.250 |
| S X0 Comdty | SOYBEAN FUTURE Nov10 | 1005.500 | 4.500 | -0.45% | 1014.000 | 1004.500 | 1017.000 |
| KCZ0 Comdty | COFFEE 'C' FUTURE Dec10 | 182.35 | 3.90 | 2.19% | 179.65 | 179.3 | 184.2 |
| JOU0 Comdty | FCOJ-A FUTURE Sep10 | 142 | 4.40 | 3.20% | 137 | 137 | 143 |
| CCZ0 Comdty | COCOA FUTURE Dec10 | 2752 | 16.00 | 0.58% | 2738 | 2707 | 2766 |
| SBV0 Comdty | SUGAR #11 (WORLD) Oct10 | 20.49 | 0.74 | 3.75% | 19.83 | 19.77 | 20.54 |
| CTV0 Comdty | COTTON NO.2 FUTR Oct10 | 90.13 | 1.05 | 1.18% | 89.08 | 89 | 90.74 |
| LCV0 Comdty | LIVE CATTLE FUTR Oct10 | 97.750 | 0.47 | 0.49% | 97.500 | 97.350 | 97.850 |
| DXY Index | DOLLAR INDEX SPOT | 82.458 | 0.74 | -0.89% | 83.11201 | 82.194 | 83.22401 |

* 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 rallied the most in almost two months as better-than-estimated growth in American and Chinese manufacturing bolstered confidence in the global economic recovery. Caterpillar Inc. helped lead industrial companies in the Standard & Poor's 500 Index to a 3.9 percent gain as U.S. and Chinese factory production grew at a faster pace last month. Alcoa Inc. advanced 3 percent as metal prices gained. Apple Inc. rose 3 percent after introducing iPods and a television set-top box, while Netflix Inc. jumped 7.5 percent. Burger King Holdings Inc. surged 15 percent on takeover speculation. The S&P 500 climbed 3 percent to 1,080.29 at 4 p.m. in New York, the biggest gain since July 7. The Dow Jones Industrial Average rose 254.75 points, or 2.5 percent, to 10,269.47. More than 35 stocks in the Russell 3000 Index rallied for each that fell, the most since May 27. "There's a sigh of relief among the long-only funds and the short sellers are saying that maybe the sell-off is over," said Michael Binger, a Minneapolis-based fund manager at Thrivent Asset Management, which oversees about \$70 billion. "That's why we get this explosion in the market after the mostly negative economic data from the U.S. throughout the summer." Equities rebounded from the biggest August plunge in nine years as the expansion in manufacturing tempered concern that the global economy will slow as governments withdraw stimulus measures. Some Federal Reserve policy makers saw greater risks to the recovery yet the central bank signaled it's hesitant

to undertake another round of debt purchases to boost growth, according to minutes of an August meeting released yesterday.

September is historically the worst month for stocks with the S&P 500 falling 0.7 percent and the Dow dropping 1 percent on average since 1950, according to the Stock Trader's Almanac. Caterpillar, the world's largest maker of construction equipment, jumped 4.6 percent to \$68.16, leading industrial stocks to the biggest gain among 10 groups in the S&P 500 as the Institute for Supply Management's factory index unexpectedly rose to 56.3 in August from 55.5 in July. The median estimate of 78 economists surveyed by Bloomberg News forecast the measure would fall to 52.8. Readings above 50 signal growth. U.S. equities joined a global advance triggered after China's purchasing managers' index rose to 51.7 from 51.2, exceeding forecasts, according to a government-backed report. A separate PMI released by HSBC Holdings Plc and Markit Economics gained to 51.9 from 49.4.

Stocks gained even after ADP Employer Services said companies in the U.S. unexpectedly cut 10,000 workers in August. The median estimate of 35 economists surveyed by Bloomberg was for a gain of 15,000. Another report from outplacement firm Challenger, Gray & Christmas Inc. showed job cuts announced by U.S. employers fell 55 percent to 34,768 last month from August 2009. "It's not a super-strong, V-shaped recovery, but we're still in a growth phase and stock prices are very attractive at these levels," said Don Wordell, a fund manager for Atlanta-based RidgeWorth Capital Management, which oversees about \$62 billion. "People were so concerned about the Chinese economy slowing down, but it's growing. It's not as much of a negative as investors had thought." Economists project that a Labor Department report in two days will show companies added 42,000 workers to their payrolls in August. The average from May through July was 51,000 jobs, down from 200,000 in the previous two months.

Alcoa increased 3 percent to \$10.52 and Freeport-McMoRan Copper & Gold Inc., the world's largest publicly traded copper producer, surged 5.8 percent to \$76.19 as copper climbed to a four-month high in New York. Aluminum, nickel and other metals also gained on the manufacturing reports from the U.S. and China, the world's largest metal users. Exxon Mobil Corp., the world's largest oil company, climbed 3.1 percent to \$60.91. Chevron Corp., the second-largest U.S. energy producer, increased 3.6 percent to \$76.77. Energy stocks rallied 3.6 percent as a group, third-most among 10 S&P 500 industries, after crude oil rebounded from its lowest level in a week as a declining dollar and rising equity markets tempered concern that U.S. fuel supplies are excessive. Apple advanced 3 percent to \$250.33. It introduced updated versions of its market-leading iPod media players and iTunes software, including more social-networking features that let users see what their friends are downloading.

Apple revamped its TV set-top box, cutting prices for video rentals and adding the ability to stream content from Netflix, whose shares jumped 7.5 percent to \$134.92. Amazon.com Inc. rose 6.1 percent to \$132.49. The Web retailer has approached media companies including Time Warner Inc. with plans to start an online video-subscription service to rival Netflix, according to people with knowledge of the talks. Burger King surged 15 percent to \$18.86. The second-largest U.S. hamburger chain is in talks with 3G Capital about a buyout, said a person familiar with the matter. The discussions may not lead to a deal, said the person, who declined to be identified because talks are still in progress. The New York Times reported the talks with 3G earlier. Eli Lilly & Co. gained 1.8 percent to \$34.20. The world's biggest maker of psychiatric drugs won a court order banning sales of generic versions of the attention-deficit treatment Strattera until a patent appeal is decided.

Saks Inc. fell 6.1 percent to \$7.42. Carlos Slim, whose Inmobiliaria Carso investment fund is the biggest holder of the New York luxury retailer, said he isn't aware of a takeover offer for the company. Saks jumped 20 percent yesterday after the Daily Mail reported the retailer may receive an offer \$11 a share from U.S. and British buyout firms. Transocean Ltd. climbed 6.7 percent to \$54.33. Seadrill Ltd., an oil-rig operator controlled by billionaire John Fredriksen could buy the offshore drilling contractor, Norwegian newswire TDN Finans reported today. Brown-Forman Corp. lost 4.5 percent to \$58.52 for the biggest drop

in the S&P 500. The maker of Jack Daniel's whiskey and Finlandia vodka posted fiscal first-quarter profit of 76 cents a share, trailing the average analyst estimate by 8.9 percent, according to Bloomberg data.

Precious Metals

Gold prices fell from a two-month high as U.S. equities rebounded, eroding demand for the precious metal as a store of value. The Standard & Poor's 500 Index rose as much as 2.9 percent today after slumping 4.7 percent last month. Gold gained 5.6 percent in August, approaching the record \$1,266.50 an ounce. "Gold is not cheap, so you're getting a little selling," said Leonard Kaplan, the president of Prospector Asset Management in Evanston, Illinois. "With interest rates so low, people are going anywhere they possibly can. Quantitative easing is good for everything." Gold futures for December delivery fell \$2, or 0.2 percent, to \$1,248.30 at 12:20 p.m. on the Comex in New York. Earlier, the price reached \$1,256.60, the highest level since June 28. The Federal Reserve has kept the benchmark interest rate from zero percent to 0.25 percent since December 2008 to revive the economy. Fed officials agreed at last month's meeting to put a \$2.05 trillion floor on securities holdings and buy Treasuries to replace an estimated \$395 billion of mortgage assets that would be repaid from August through the end of 2011, according to minutes released yesterday. Treasuries also fell as a report showed U.S. manufacturing unexpectedly rose in August, reducing demand for a haven. Gold's losses will be limited, some analysts said. Holdings in 10 exchange-traded products tracked by Bloomberg rose to a record yesterday. In the second quarter, investors purchased 291.3 metric tons in ETFs, boosting metal demand by 36 percent, according to the producer-funded World Gold Council.

"Gold is deemed very necessary in today's environment," said Frank Lesh, a trader at FuturePath Trading LLC in Chicago. "Uncertainty continues to support gold." Silver futures for December delivery fell 4.2 cents, or 0.2 percent, to \$19.39 an ounce. Platinum and palladium, which have wider industrial applications than gold, rallied on expectations that demand will rise as China's economy grows. A government report today showed manufacturing in China grew at a faster pace in August than forecast by economists in a Bloomberg survey. Platinum futures for October delivery gained \$11, or 0.7 percent, to \$1,534.50 an ounce on the New York Mercantile Exchange. Palladium futures for December delivery advanced \$19.30, or 3.8 percent, to \$521.15 an ounce.

Energy

Crude oil surged the most in a month after manufacturing in the U.S. and China, the world's biggest energy-consuming countries, accelerated in August at a faster pace than forecast. Oil climbed 2.8 percent and equities rebounded from the biggest August slump in nine years after the Tempe, Arizona-based Institute for Supply Management's factory index rose to 56.3 from 55.5 in July. Futures gained even as U.S. crude oil supplies increased 3.43 million barrels to 361.7 million last week, an Energy Department report showed today. "The ISM just blew everyone away," said Phil Flynn, vice president of research at PFGBest in Chicago. "Energy traders look to the manufacturing sector as a barometer of the economy and demand." Crude oil for October delivery rose \$1.99 to settle at \$73.91 a barrel on the New York Mercantile Exchange, the biggest gain since Aug. 2. Futures are up 8.6 percent from a year ago. Brent crude for October settlement increased \$1.71, or 2.3 percent, to end the session at \$76.35 a barrel on the London-based ICE Futures Europe Exchange. The Standard & Poor's 500 Index gained 2.8 percent to 1,078.59 at 3:15 p.m. in New York, and the Dow Jones Industrial Average climbed 237.57 points, or 2.4 percent, to 10,252.29. The dollar slipped 0.9 percent to \$1.2799 against the euro, the most since Aug. 2. The U.S. currency's decline bolsters the appeal of commodities to investors.

“Oil moves along with equities, the fundamentals don’t matter,” said Chip Hodge, who oversees a \$9 billion natural-resource bond portfolio as senior managing director at MFC Global Investment Management in Boston. “Any shred of positive or negative economic news will move the oil market by a couple percentage points.” Economists forecast the ISM factory index would decline to 52.8, according to the median of 78 projections in a Bloomberg News survey. Estimates ranged from 49.9 to 56. Manufacturing in China grew at a faster pace in August after the weakest performance since early 2009 in July, signaling that the economy’s slowdown is stabilizing. The purchasing managers’ index rose to 51.7 from 51.2, exceeding forecasts, a government-backed report showed. Seasonal factors might have had an effect because the index typically gains as factories restart following July maintenance, Mizuho Securities Asia Ltd. said. A separate PMI released by HSBC Holdings Plc and Markit Economics gained to 51.9 from 49.4. The August reading for the government index was more than the median 51.5 forecast in the Bloomberg survey of 17 economists. Fifty is the dividing line between expansion and contraction.

China’s passenger-car sales rose 59 percent in August from a year earlier, more than three times July’s pace, the China Automotive Technology & Research Center said today. “The Chinese PMI impressed all of the markets,” said Sean Brodrick, a natural resource analyst with Weiss Research in Jupiter, Florida. “This was just what the crude oil market needed to kick it to the upside.” U.S. crude oil supplies were projected to rise 1.2 million barrels, according to the median of 16 analyst estimates in a Bloomberg News survey. Crude oil inventories at Cushing, Oklahoma, the delivery point for New York futures, dropped 503,000 barrels to 35.8 million. The decline left stockpiles at the lowest level since the week ended April 23.

Gasoline inventories slipped 212,000 barrels to 225.4 million. Stockpiles of distillate fuel, a category that includes heating oil and diesel, fell 739,000 barrels to 175.2 million last week, the first decline in 14 weeks. Gasoline for October delivery rose 3.17 cents, or 1.7 percent, to settle at \$1.8891 a gallon in New York. Heating oil for October climbed 4.94 cents, or 2.5 percent, to end the session at \$2.0411 a gallon, the biggest gain since Aug. 2. Overall petroleum stockpiles, a combination of oil and fuel supplies, climbed 4.04 million barrels, or 0.4 percent, to 1.14 billion, the highest level since at least 1990. Total U.S. fuel demand rose 0.4 percent to 19.6 million barrels a day in the past four weeks, according to the department. Refineries operated at 87 percent of capacity, down 0.7 percentage point from the prior week. It was the lowest level since April. Oil volume on the Nymex was 747,132 contracts as of 3:08 p.m. in electronic trading in New York. Volume totaled 915,387 contracts yesterday, 47 percent above the average of the past three months. Open interest was 1.31 million contracts, the highest since June 16.

Grains

Corn rose to a 14-month high as hot, dry weather last month in the Midwest increased the chances of yield loss in the U.S., the biggest producer and exporter. Some fields from southeastern Kansas to eastern Michigan received less than 50 percent of normal rainfall in August and temperatures averaged as much as 5 degrees Fahrenheit above normal, data from the Midwest Regional Climate Center show. On Aug. 10, the U.S. Department of Agriculture forecast record yields this year, based on conditions as of Aug. 1. “Heat and dryness in the eastern and southern Midwest will lead to lower yields than the USDA forecast in August,” said Marty Foreman, an economist for Doane Advisory Services Co. in St. Louis. “It’s difficult to measure the extent of the damage, but it looks like we are headed for a tightening supply situation.” Corn futures for December delivery rose 7.5 cents, or 1.7 percent, to close at \$4.4675 a bushel at 1:15 p.m. on the Chicago Board of Trade, after touching \$4.4725, the highest level for a most-active contract since June 2009. The price rose 8 percent in August as Russia, hurt by the worst drought in five decades, halted grain exports to protect domestic supplies. 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 in an Aug. 12 report. Prices also rose as speculators and investors increased bets the global economy will rebound, boosting demand for commodities, said Charles Sematinger, a vice president with ABN Amro Clearing LLC in

Chicago. The Reuters/Jefferies CRB Index of 19 raw materials was up 1.6 percent, heading for the biggest gain since July 22. The MSCI World Index of equities surged the most since May. Treasuries tumbled after reports showing manufacturing in the U.S. and China grew faster than economists estimated. Corn is the biggest U.S. crop, valued at \$48.6 billion in 2009, government figures show.

Wheat posted its biggest gain in almost two weeks as excessive rain threatened to damage crops in Europe, and Egypt increased purchases from the U.S., the world's biggest exporter. The grain harvest in northwestern Europe has been slowed by rainfall that may cause flooding, the European Union's Monitoring Agricultural Resources unit said yesterday. Egypt bought 225,000 metric tons of U.S. hard wheat for shipment from Oct. 11 to Oct. 20, said Nomani Nomani, the vice chairman of the state-run General Authority for Supply Commodities in Cairo. Prices have rallied 4.2 percent in the past week. "The news out of Germany is that there's too much rain," said Jason Britt, the president of Central States Commodities Inc. in Kansas City, Missouri. "Anytime Egypt is sourcing wheat from the U.S., the market will most definitely take that as bullish. With the fundamentals, the talk is that wheat could run back up to \$7.50." Wheat futures for December delivery rose 23 cents, or 3.4 percent, to close at \$7.0875 a bushel at 1:15 p.m. on the Chicago Board of Trade, the biggest jump since Aug. 19. Wheat gained 3.7 percent last month, touching \$8.68 on Aug. 6, the highest price in almost two years, as a drought damaged the crop in Russia and prompted the government to halt grain exports. Western Europe received "abundant" rain between Aug. 9 and Aug. 29 as crops matured, slowing the pace of the harvest and reducing grain quality, the European Union's farm-weather monitoring unit said in a report dated yesterday. Parts of Germany got two to three times the normal amount of rain, the forecaster said. German grain processors are purchasing U.S. bread wheat for the first time in three years "as a consequence of the poor quality of their harvest," Paris-based farm adviser Agritel said on its website today. Wheat is the fourth-biggest U.S. crop, valued at \$10.6 billion in 2009, behind corn, soybeans and hay, government data show.

Soybeans fell for the third straight day on speculation that rains in the Midwest will aid crops in the U.S., the world's largest producer and exporter. Precipitation in the past 24 hours helped soil moisture in the drier parts of Iowa and southern Minnesota, and showers in the next 48 hours will relieve some parched areas of the eastern Midwest, the Commodity Weather Group LLC said in a report. Two weeks ago, the Pro Farmer Midwest crop tour found higher pod counts in all seven states inspected. "The rains will help to boost yields," said Gregg Hunt, a broker at MF Global Holdings Ltd. in Chicago. "We know the pod counts are higher, and these rains will help the plants fill them with beans." Soybean futures for November delivery fell 4.5 cents, or 0.4 percent, to close at \$10.055 a bushel at 1:15 p.m. on the Chicago Board of Trade. The price is down 2 percent in three days. On Aug. 5, the most-active contract reached \$10.49, the highest level since Jan. 7, after Russia imposed a ban on grain exports following the most-severe drought in at least five decades. The soybean crop in the U.S. was valued at \$31.8 billion last year, second only to corn at \$48.6 billion, government figures show.

Softs

Cotton rallied to the highest price since March 2008 on the outlook for rising demand as global equities gained and the dollar dropped. Orange-juice rose to a one-week high. Stocks gained after a report showed manufacturing in China grew at a faster-than-expected pace in August. The MSCI World Index of equities climbed as much as 2.9 percent. The dollar fell to the lowest level in almost two weeks against a basket of six competing currencies, making U.S. products more attractive to overseas buyers. China's manufacturing growth "might be what's helping some of these markets and in turn helping cotton," said Sharon Johnson, a senior analyst at First Capitol Group LLC in Atlanta. Higher equities "could be a part of what's helping cotton, plus the dollar's down quite a bit." Cotton futures for December delivery rose 1.21 cents, or 1.4 percent, to settle at 87.41 cents a pound at 2:33 p.m. on ICE Futures U.S. in New York. Earlier, the price reached 87.9 cents, the highest level for a most-active contract since March 6, 2008. The fiber

advanced 9.4 percent last month, the biggest such gain since February. The commodity has jumped 16 percent this year. China is the world's largest consumer of cotton. Orange-juice futures for November delivery climbed 1.2 cents, or 0.9 percent, to settle at \$1.416 a pound at 2 p.m. in New York. Earlier, the price touched \$1.42, the highest level for a most-active contract since Aug. 24. The price has gained 9.7 percent this year.

Raw-sugar futures advanced to a five-month high in New York as dry weather threatened to damage the crop in Brazil, the world's biggest producer. Cocoa and coffee also rose. The sugar-cane harvest in Brazil's Center South, the world's largest producing region, may be less than the 570 million metric tons forecast last week if dry weather persists, said Marcos Jank, the president of Unica, an industry group. China, the third-largest producer, may become one of the top 10 importers next year, according to Cargill Inc., the world's biggest trader of agricultural commodities. "The market is rising on renewed fears about Brazil," said Marius Sonnen, the president of Sonnen & Co., a New York-based sugar trader. "Also, there is speculation that China will be a big importer next year." Raw sugar for October delivery gained 0.63 cent, or 3.2 percent, to 20.38 cents a pound at 10:48 a.m. on ICE Futures U.S. in New York. Earlier, the most-active contract jumped 3.8 percent to 20.5 cents, the highest level since March 9. Before today, raw sugar surged 52 percent from a 13-month low on May 7 on concern that adverse weather will lower output in Brazil, Russia and China. The price may advance to 21.7 cents to 23.7 cents, according to Michael McDougall, a senior vice president at Newedge USA, a broker in New York. On NYSE Liffe in London, white sugar for October delivery gained \$4.50, or 0.8 percent, to \$583.20 a metric ton.

Cocoa for December delivery rose \$3, or 0.1 percent, to \$2,739 a metric ton on ICE. Before today, the commodity declined 17 percent this year. In London, cocoa for September delivery dropped 31 pounds, or 1.6 percent, to 1,920 pounds (\$2,970) a ton on NYSE Liffe, after slipping to 1,901 pounds, the lowest level since Sept. 16. The September contract closed yesterday at a lower price than December futures for the first time since Aug. 12, 2009, indicating growing supplies. Arabica coffee for December delivery gained 4.2 cents, or 2.3 percent, to \$1.8265 a pound in New York, rising for the fourth time in five sessions. Robusta coffee for November delivery advanced \$7, or 0.4 percent to \$1,648 a ton in London.

Cocoa production from Nigeria, Africa's third-largest producer, will rise by 10 percent in the season that begins Oct. 1, as new plants and better use of chemicals aid growth, the Cocoa Association of Nigeria said. Output will increase to about 335,000 metric tonnes, Neji Abang Neji, secretary-general of the association, said by phone today from Calabar, in southern Nigeria. New crops planted between 2005 and 2007 under Nigeria's National Cocoa Rebirth program are "starting to bear fruit," said Robo Adhuze, a consultant to the association, which includes farmers, processors, traders and regulators. Growers have also received training on farming practices, including the use of insecticides, Adhuze said yesterday by phone from Akure, in western Nigeria. Some state governments, including Ondo and Edo, have subsidized the cost of chemicals, he said. High amounts of rainfall will also boost output, Neji added. Nigeria ranks behind Ivory Coast, Ghana and Indonesia in cocoa production, according to the International Cocoa Organization. Revenue from cocoa exports is the country's second-biggest foreign exchange earner, after crude oil. Farmers may keep their cocoa on their farms if they can't get favorable prices at the start of the harvest, Adhuze said. Growers currently receive about 360,000 naira (\$2,382) per ton, from the 450,000 naira they earned last October, he said. Cocoa for September delivery fell \$18 to \$2,680 at 11 a.m. in New York today.

Live Cattle

Hog futures fell to the lowest level in almost three weeks on speculation that U.S. retail pork demand is slowing after wholesale prices climbed to an all-time high. Cattle gained. Wholesale pork fell to 91.23 cents a pound yesterday, down 5.7 percent from the record 96.74 cents on Aug. 24, government data show. Supplies of the meat had dwindled and grocers stocked up before the Labor Day holiday on Sept. 6, when many people grill outdoors. Meatpackers processed 1.221 million hogs in the first three days of this week, or 6 percent less than a year earlier. Pork was "at record levels, so it's going to have to soften up to get some movement going," said Chad Henderson, a market analyst at Prime Agricultural Consultants Inc. in Brookfield, Wisconsin. "Packers have great margins, but if they think they're going to struggle to move product, they won't keep it higher" in price, he said. Hog futures for October settlement fell 0.2 cent, or 0.3 percent, to close at 74.95 cents a pound at 1 p.m. on the Chicago Mercantile Exchange. Earlier, the price touched 74.1 cents, the lowest level since Aug. 12. The most-active contract dropped 4.9 percent in August, the fourth straight monthly decline. "Historically, that week following Labor Day weekend is never a real barnburner for demand," said Walt Hackney, the owner of Hackney Ag in Omaha, Nebraska. "There's some anticipation of a slow product trade this coming week" as grilling season ends, he said.

Cattle futures for October delivery rose 0.475 cent, or 0.5 percent, to 97.75 cents a pound, snapping a six-session slide. The price advanced 2.8 percent last month. Feeder-cattle futures for October settlement fell 0.25 cent, or 0.2 percent, to \$1.1485 a pound. Higher corn costs may discourage feedlots from expanding herds, pressuring feeder-cattle futures, Hackney said. Cattle may be sold to meatpackers at lighter weights, curbing beef supplies and boosting prices for fattened animals, he said. Corn reached \$4.4725 a bushel today on the Chicago Board of Trade, the highest level since June 2009. The grain has jumped 26 percent in the past three months. Boosting animal weights is "dramatically" more costly, Hackney said. Feedlots may "sell cattle prematurely to avoid extended feeding," he said. Feeder cattle are young animals that weigh 500 pounds (227 kilograms) to 800 pounds. They are fattened in feedlots on corn until they weigh about 1,200 pounds, and then sold to meatpackers.

Source: Bloomberg News