

COMMODITY PRODUCTS

# Pork Futures and Options

Capitalize on the extraordinary opportunities of a \$97 billion industry.

### Overview

The U.S. pork industry is big business – with total sales of more than \$97 billion in 2005 – and risky. Any number of factors, including weather and disease, can lead to an increase or decrease of supply and demand for livestock. CME Group Pork futures and options serve commodity producers and users seeking risk management and hedging tools, alongside funds and other traders looking to capitalize on the extraordinary opportunities these markets offer.

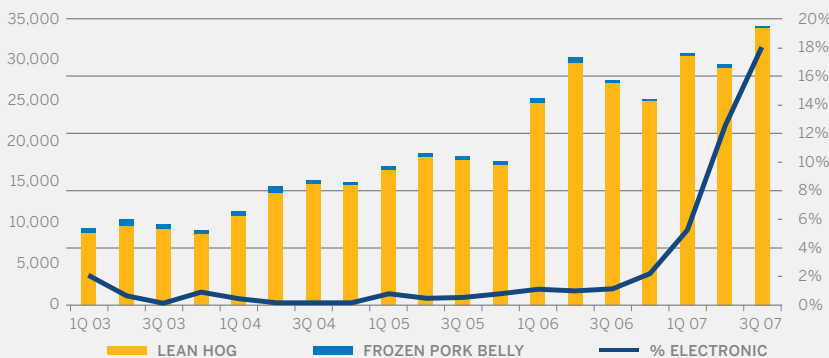
### Contracts

Lean Hog futures and options and Frozen Pork Belly futures trade virtually 24 hours a day on the CME Globex electronic trading platform. In addition, these contracts, along with Frozen Pork Belly options, also trade on the CME Group trading floor during regular trading hours\*. Lean Hog are cash-settled contracts, while Frozen Pork Belly are physically delivered contracts.

### Benefits

- Management of price risk and engagement in price discovery for individual markets
- Around-the-clock access to electronic markets
- Arbitrage and spread opportunities with other commodities such as grains

CME GROUP PORK FUTURES AND OPTIONS AVERAGE DAILY VOLUME AND ELECTRONIC TRADING



363%

Average daily volume growth for CME Group Pork futures and options since 2003.

(As of September 30, 2007.)

### Free Trading Tools

- Free real-time CME Globex quotes at [www.cmegroup.com/elivestockquotes](http://www.cmegroup.com/elivestockquotes).
- Daily market commentary on market drivers at [www.DailyLivestockReport.com](http://www.DailyLivestockReport.com).
- Introductory demo on electronic options trading at [www.cmegroup.com/livestockoptionsdemo](http://www.cmegroup.com/livestockoptionsdemo).
- Historical charts and strategies at [www.cmegroup.com/moorereports](http://www.cmegroup.com/moorereports).

\*As a result of the CME Group trading floor consolidation, in May 2008, Frozen Pork Belly futures will trade exclusively on the CME Globex electronic trading platform.

# CONTRACT SPECIFICATIONS

| LEAN HOG FUTURES            |   | LEAN HOG OPTIONS   |  |
|-----------------------------|---|--|--|
| Trade Unit                  | 40,000 pounds   | One Lean Hog futures contract  |  |
| Point Descriptions          | 1 point = \$.01 per hundred pounds = \$4.00   | 1 point = \$.0001 per hundred pounds = \$4.00  |  |
| Contract Listing            | Feb, Apr, May, Jun, Jul, Aug, Oct and Dec. Current listings nine months listed at a time on CME Globex.   | Eight months of Feb, Apr, May, Jun, Jul, Aug, Oct, Dec and Flex® Options*.   |  |
| Trading Venue               | CME Globex Floor  | CME Globex Floor   |  |
| Product Code                | Clearing = LN<br>Ticker = LH<br>Globex = HE   | Clearing Calls/Put = LN<br>Ticker Calls = CH<br>Ticker Puts = PH<br>Globex = HE  |  |
| Hours                       | <b>CME Globex:</b> Monday at 9:05 a.m. Central Time (CT) through Friday at 1:30 p.m. CT with daily halts from 4:00 p.m. – 5:00 p.m. CT <b>Trading Floor:</b> 9:05 a.m. – 1:00 p.m. CT (12:00 p.m. on last day of trading) | <b>CME Globex:</b> Monday at 9:05 a.m. CT through Friday at 1:30 p.m. CT with daily halts from 4:00 p.m. – 5:00 p.m. CT <b>Trading Floor:</b> 9:05 a.m. – 1:02 p.m. CT (12:00 p.m. on last day of trading) |  |
| Listed                      | N/A   | N/A  |  |
| Strike                      | N/A   | All listed intervals.  |  |
| Limits                      | \$.030/lb, \$1200 (See Rule 1602.A)   | N/A  |  |
| Minimum Fluctuation         | Regular: 0.00025/lb = \$10.00   | Regular: 0.00025/lb = \$10.00 Cab: 0.000125/lb = \$5.00  |  |
| FROZEN PORK BELLIES FUTURES |   | FROZEN PORK BELLIES OPTIONS  |  |
| Trade Unit                  | 40,000 pounds of frozen pork bellies, cut and trimmed.  | One Frozen Pork Belly futures contract   |  |
| Point Descriptions          | 1 point = \$.0001 per pound = \$4.00  | 1 point = \$.0001 per pound = \$4.00   |  |
| Contract Listing            | Five months of Feb, Mar, May, Jul and Aug.  | Five months of Feb, Mar, May, Jul, Aug and Flex Options*   |  |
| Strike Price Interval       | N/A   | Cents per pound at intervals of \$0.02, e.g. \$0.60, \$0.62  |  |
| Trading Venue               | CME Globex Floor  | Floor  |  |
| Product Code                | Clearing = 56<br>Ticker = PB<br>Globex = GPB  | Clearing Calls/Puts = 56<br>Ticker Calls = KP<br>Ticker Puts = JP  |  |
| Hours                       | <b>CME Globex:</b> Monday at 9:05 a.m. CT through Friday at 1:30 p.m. CT with daily halts from 4:00 p.m. – 5:00 p.m. CT <b>Trading Floor:</b> 9:05 a.m. – 1:00 p.m. CT (12:00 p.m. on last day of trading)                | 9:05 a.m. – 1:02 p.m. CT (12:00 p.m. on last day of trading)   |  |
| Listed                      | N/A   | N/A  |  |
| Strike                      | N/A   | All listed intervals.  |  |
| Limits                      | \$.020 or \$.030 or \$.045 per pound (Expandable price limits see Rule 8302.D. and Rule 15102.D.)   | N/A  |  |
| Minimum Fluctuation         | Regular: 0.00025 = \$10.00  | Regular: 0.00025 = \$10.00<br>Cab: 0.000125 = \$5.00   |  |

\*Flex contracts are not traded within 10 minutes of the daily opening and within 30 minutes of the daily close.

For more information on Livestock futures and options, contact [www.cmegroup.com/commodities](http://www.cmegroup.com/commodities).

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