

Cattle Futures and Options



Manage the risk inherent in cattle production and processing with CME Group’s benchmark Cattle futures and options, including Live Cattle and Feeder Cattle

Overview

The U.S. cattle and beef industry is a big and risky business. Any number of factors, including weather and disease, can lead to an increase or decrease of supply and demand for livestock. Live Cattle and Feeder Cattle 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

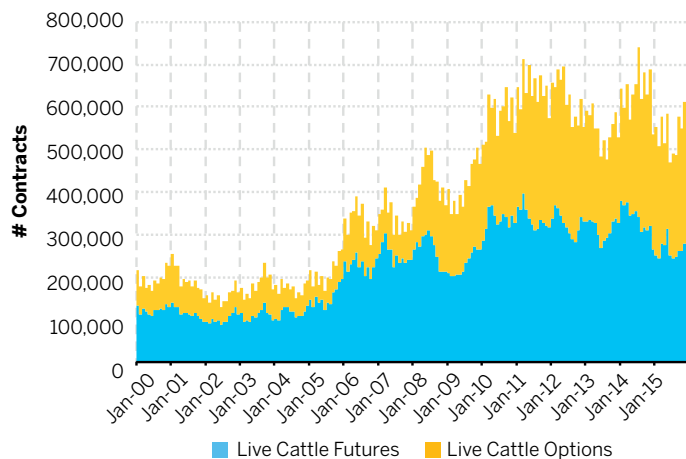
Live Cattle and Feeder Cattle futures and options trade electronically on the CME Globex electronic trading platform. Cattle options are also available available via open outcry on

the trading floor. Live Cattle are physically delivered contracts, while Feeder Cattle are cash-settled contracts.

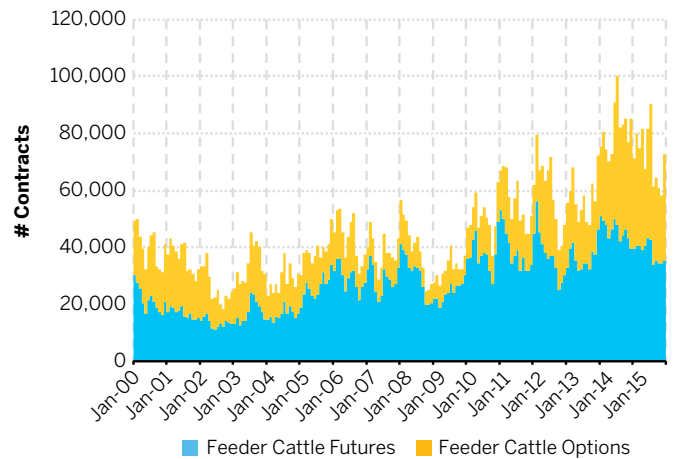
Benefits

- Facilitate price discovery and manage price risk related to the purchase or sale of cattle
- Arbitrage and spread opportunities with other commodities such as grains
- Calendar Spread Options on Live Cattle futures
- Transparent, deep liquid markets
- Financial integrity of CME Clearing
- Live Cattle: Physically delivered, Feeder Cattle: Cash-settled

Live Cattle Open Interest (Month-End)



Feeder Cattle Open Interest (Month-End)



Trading Tools

Get access to real-time quotes at: cmegroup.com/equotes.

Livestock option pricing and analysis at: cmegroup.com/quickstrike.

Market commentary on market drivers at: cmegroup.com/marketcommentary or dailylivestockreport.com.

Contract Specifications

	Live Cattle Futures		Feeder Cattle Futures
Trade Unit	40,000 pounds		50,000 pounds
Point Descriptions	1 point = \$0.0001 per pound = \$4.00		1 point = \$0.0001 per pound = \$5.00
Tick Size	Regular: 0.00025/lb = \$10.00		Regular: 0.00025/lb = \$12.50
Limits	\$0.030/lb, expand to \$0.045/lb		\$0.045/lb, expand to \$0.0675/lb
Contract Listing	Nine months in the even monthly cycle: Feb, Apr, Jun, Aug, Oct and Dec		Jan, Mar, Apr, May, Aug, Sep, Oct and Nov Eight months listed at a time
Last Trading Day	Last business day of the contract month		Last Thursday of the contract month
Trading Hours	CME Globex	Monday - Friday: 8:30 a.m. 1:05 p.m. CT	Monday - Friday: 8:30 a.m. 1:05 p.m. CT
Product Code	Clearing = 48 CME Globex = LE		Clearing = 62 CME Globex = GF
	Live Cattle Options		Feeder Cattle Options
Trade Unit	One Live Cattle futures contract		One Feeder Cattle futures contract
Point Descriptions	1 point = \$0.0001 per pound = \$4.00		1 point = \$0.0001 per pound = \$5.00
Tick Size	Regular: 0.00025/lb = \$10.00		Regular: 0.00025/lb = \$12.50 Cab: 0.000125/lb = \$6.25
Limits	N/A		N/A
Strike Price Interval	\$0.02/lb for all months, \$0.01/lb for front two months.		Cents per pound. First two months only – \$0.01 intervals. All other months – \$0.02 intervals. For spot month, \$0.005 intervals.
Contract Listing	Nine months in the even monthly cycle: Feb, Apr, Jun, Aug, Oct and Dec, plus serial months and Flex® options		Jan, Mar, Apr, May, Aug, Sep, Oct, Nov and Flex options Eight options months listed
Last Trading Day	Standard and Serial options: Last Friday of the contract month		Last Thursday of the contract month
Exercise	American-style. Options buyers may exercise an options contract on any business day prior to expiration by giving notice to CME Clearing by 6:00 p.m. CT. Exercised options are randomly assigned to options sellers. Options in-the-money after the close on the last trading day are automatically exercised.		
Expiration	Unexercised futures options shall expire at 7:00 p.m. CT on the last day of trading.		
Trading Hours	CME Globex	Monday – Friday: 8:30 a.m. 1:05 p.m. CT	Monday – Friday: 8:30 a.m. – 1:05 p.m. CT
	Open Outcry	8:30 a.m. – 1:02 p.m. CT	8:30 a.m. – 1:02 p.m. CT
Product Code	Clearing = 48 Open Outcry Puts/Calls = PK/CK CME Globex = LE		Clearing = 62 Open Outcry Puts/Calls = JF/KF

For more information on Livestock futures and options, visit cmegroup.com/livestock.

Live Cattle and Feeder Cattle futures and options are listed with and subject to the rules and regulations of CME.

CME Group is a trademark of CME Group Inc. The Globe Logo, CME, Chicago Mercantile Exchange, Globex, and CME Direct are trademarks of Chicago Mercantile Exchange Inc. ClearPort, New York Mercantile Exchange and NYMEX are registered trademarks of New York Mercantile Exchange, Inc.

The information within this fact card has been compiled by CME Group for general purposes only. Although every attempt has been made to ensure the accuracy of the information within this brochure, CME Group assumes no responsibility for any errors or omissions. Additionally, all examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience.

All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases concerning contract specifications.

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience.

Copyright © 2016 CME Group. All rights reserved.

PM264/00/0216