

Cattle Futures and Options

Capitalize on opportunities to hedge, manage risk or speculate on the growing livestock market — virtually 24 hours a day.

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.

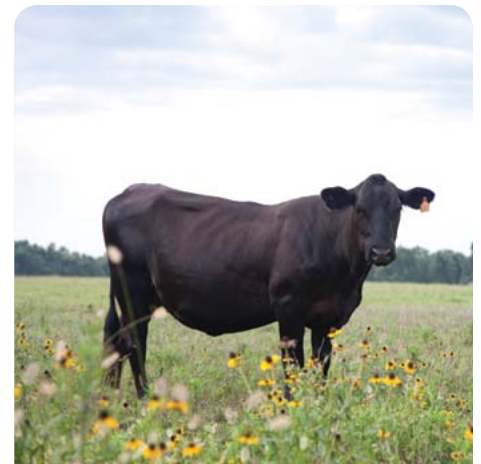
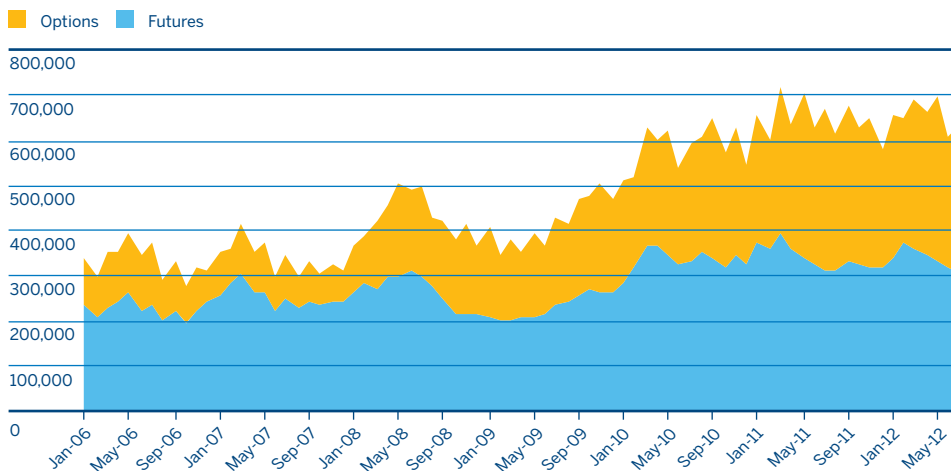
Contracts

Live Cattle and Feeder Cattle futures and options trade virtually 24 hours a day on the CME Globex electronic trading platform, as well as via open outcry on the trading floor. Live Cattle are physically delivered contracts, while Feeder Cattle are cash-settled contracts.

Weekly Live Cattle Options

The addition of weekly options on Live Cattle futures provides even more opportunities for hedgers and traders, offering a lower premium short-dated trading alternative. This allows increased flexibility in managing existing option positions, targeted trading based on market movement, and the ability to trade high impact economic events, such as USDA Cattle on Feed Reports.

Live Cattle Open Interest (Month-End)



BENEFITS

- » Management of price risk related to cattle products
- » Around-the-clock access to electronic markets
- » Arbitrage and spread opportunities with other commodities such as grains

Free Trading Tools

Free real-time CME Globex quotes at: cmegroup.com/elivestockquotes

Livestock options open interest profile at: cmegroup.com/agoptionsoi

Daily 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, \$1,200	\$0.030/lb, \$1,500
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
Hours	CME Globex: Monday 9:05 a.m. – Friday 1:55 p.m. Central Time (CT) with daily halts from 4:00 p.m. – 5:00 p.m. CT Open Outcry: 9:05 a.m. – 1:00 p.m. CT (last trading day: 12:00 p.m.)	CME Globex: Monday 9:05 a.m. – Friday 1:55 p.m. CT with daily halts from 4:00 p.m. – 5:00 p.m. CT Open Outcry: 9:05 a.m. – 1:00 p.m. CT (last trading day: 12:00 p.m.)
Product Code	Clearing = 48 Open Outcry = LC CME Globex = LE	Clearing = 62 Open Outcry = FC 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. Weekly Options: \$0.01/lb	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 Weekly options: Weeks 1 – 5, corresponding to the Fridays of each month where there is not a serial or standard expiration; a total of three Weekly options will be listed at any one time.	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 Weekly options: Each Friday that is not also the last trading day for a Standard or Serial option.	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.	
Hours	CME Globex: Monday 9:05 a.m. – Friday 1:55 p.m. CT with daily halts from 4:00 p.m. – 5:00 p.m. CT Open Outcry: 9:05 a.m. – 1:02 p.m. CT (last trading day: 1:00 p.m.)	CME Globex: Monday 9:05 a.m. – Friday 1:55 p.m. with daily halts from 4:00 p.m. – 5:00 p.m. CT Open Outcry: 9:05 a.m. – 1:02 p.m. CT (last trading day: 12:00 p.m.)
Product Code	Clearing = 48 Open Outcry Puts/Calls = PK/CK CME Globex = LE Weekly options: Open Outcry = LC1-5 CME Globex = LE1-5	Clearing = 62 Open Outcry Puts/Calls = JF/KF

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

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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.