

Lean Hog Futures and Options

CAPITALIZE ON THE EXTRAORDINARY OPPORTUNITIES OF A GROWING INDUSTRY



Overview

The U.S. pork industry is big business — and risky. Any number of factors, including weather and disease, can lead to an increase or decrease of supply and demand for livestock. Lean hog futures and options traded at CME serve commodity producers and users seeking risk management and hedging tools. They also allow funds and other traders to capitalize on the extraordinary opportunities these markets offer.

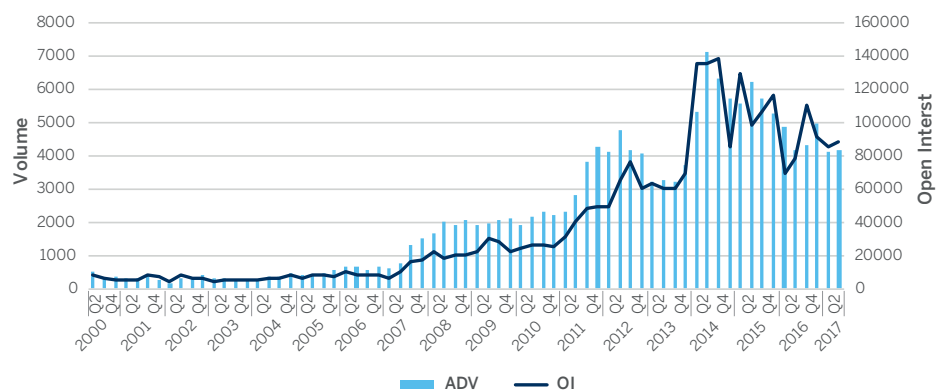
Contracts

Lean Hog futures and options trade electronically on the CME Globex electronic trading platform. Lean Hog futures and options are cash-settled contracts.

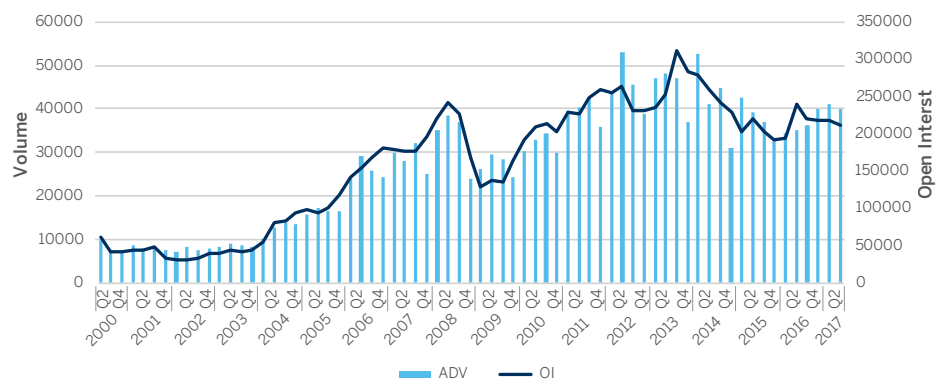
Benefits

- Management of price risk and engagement in price discovery for individual markets
- Access to electronic markets
- Arbitrage and spread opportunities with other commodities, such as grains

Lean Hogs Options Average Daily Volume and Open Interest



Lean Hogs Futures Average Daily Volume and Open Interest



Trading Tools

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

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

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

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

Contract Specifications

	Lean Hog Futures		Lean Hog Options
Trade Unit	40,000 pounds (~18 metric tons) of hog carcasses		One Lean Hog futures contract
Point Descriptions	1 point = \$.01 per hundred pounds = \$4.00		1 point = \$.01 per hundred pounds = \$4.00
Contract Listing	Feb, Apr, May, Jun, Jul, Aug, Oct and Dec. Current listings eleven months listed at a time on CME Globex.		Ten months of Feb, Apr, May, Jun, Jul, Aug, Oct, Dec and Flex Options*.
Trading Venue	CME Globex		CME Globex Floor
Product Code	Clearing = LN Globex = HE		Clearing Calls/Put = LN Ticker Calls = CH Ticker Puts = PH Globex = HE
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	N/A	Monday – Friday: 8:30 a.m. 1:02 p.m. CT
Listed	N/A		N/A
Strike	N/A		\$0.02/lb for all months plus \$0.01/lb for front three months
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

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

Lean Hog futures and options are listed with and subject to the rules and regulations of CME.

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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: 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.