

# 2007 LIVESTOCK GUIDE



The Livestock Trader's Reference for Supply/Demand,  
Price Tendencies, and Market Strategies



Commodity Futures & Equity Analytics  
8945 SW Terreton Place  
Portland, Oregon 97223  
[CFEA@Grainguide.com](mailto:CFEA@Grainguide.com)

# DISCLAIMERS

**HYPOTHETICAL RISK DISCLOSURE:** THE DATA CONTAINED HERE IN ARE BELIEVED TO BE RELIABLE BUT CANNOT BE GUARANTEED AS TO RELIABILITY, ACCURACY, OR COMPLETENESS; AND, AS SUCH ARE SUBJECT TO CHANGE WITHOUT NOTICE. CFEA WILL NOT BE RESPONSIBLE FOR ANYTHING WHICH MAY RESULT FROM RELIANCE ON THIS DATA OR THE OPINIONS EXPRESSED HEREIN.

DISCLOSURE OF RISK: THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS MAY NOT BE SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW.

NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

**SEASONAL RISK DISCLOSURE:** SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE – SEE ABOVE HYPOTHETICAL RISK DISCLOSURE FOR FURTHER CLARIFICATION.

**ALSO SEE “CFTC’S 10 TIPS ON AVOIDING FUTURES FRAUD” ON FOLLOWING PAGE**

**GENERAL FUTURES/OPTIONS RISK DISCLOSURE:** The risk of loss in trading futures and options can be substantial; therefore, only genuine risk funds should be used. Futures and options ARE not suitable investments for all individuals, and individuals should carefully consider their financial condition in deciding whether to trade. Option traders should be aware that the exercise of a long option would result in a futures position.

# CFTC'S 10 TIPS ON AVOIDING FUTURES FRAUD

If you are solicited by a company that claims to trade commodity futures or options contracts and asks you to commit funds for those purposes, you should be very careful. Watch for the warning signs listed below, and take the following precautions before placing your funds with any company that offers leveraged or financed commodity transactions.

---

**1. Stay Away From Opportunities That Sound Too Good to Be True**

Get-rich-quick schemes tend to be frauds. Always remember that there is no such thing as a "free lunch." Getting your money back once it is gone can be difficult or impossible.

---

**2. Avoid Any Company that Predicts or Guarantees Large Profits**

Most retail customers in the commodity futures and options markets lose money. No one can promise that your trading will have a different result.

---

**3. Stay Away From Companies That Promise Little or No Financial Risk**

Be suspicious of companies that downplay risks or state that written risk disclosure statements are routine formalities imposed by the government. The futures and options markets are volatile and you can lose most or all of your funds very quickly. The futures and options markets are not the place to put any funds that you cannot afford to lose, such as retirement funds.

---

**4. Avoid Any Company That Predicts or Guarantees Large Profits Because of Well-Known Current Events, Published Reports or Predictable, Seasonal Changes in Demand**

The futures markets very quickly factor in well-known public events, such as disruptions caused by political upheavals or natural disasters, thus removing any obvious opportunity for profit. Be very cautious of firms that claim they have "inside information" about a particular situation.

---

**5. Be Skeptical About Unsolicited Phone Calls or Emails about Investments, Especially Those from Out-of-State Salespersons or Companies with Which You Are Unfamiliar**

---

**6. Be Wary of High-Pressure Efforts to Convince You to Send or Transfer Cash Immediately to the Firm, via Overnight Shipping Companies, the Internet, by Mail, or Otherwise**

If a trade in the futures markets is a good idea today, chances are it will still be a good idea after you have done enough research to gain some comfort in the trade.

---

**7. Don't Trade on Margin Unless You Understand What It Means**

Margin trading can make you responsible for losses that greatly exceed the dollar amount you deposited.

---

**8. Be Wary of Sending or Transferring Cash Overseas, or over the Internet**

Many companies offering trading on-line are not located within the United States and might not display an address or any other information identifying their nationality on their Web site. Be aware that if you transfer funds to those foreign firms, it may be very difficult or impossible to recover your funds.

---

**9. Be Sure You Get the Company's Performance Track Record in a Form that is Subject to Verification**

Be suspicious of companies that will not provide you with information about their performance track record, and verify any information you receive. If you can, before doing business with any company, check the company's materials with someone whose financial advice you trust.

---

**10. Do not Deal With Anyone Who Won't Give You Their Background**

Get the background of the persons running or promoting the company, if possible. Do not rely solely on oral statements or promises from the firm's employees. Ask for all information in written form. If you cannot satisfy yourself that the persons with whom you are dealing are completely legitimate and above-board, the wisest course of action is to avoid trading through those companies.

---

## Stay Informed...

1. Contact the CFTC by  
Telephone through our Consumer Hot-line at 1-866-FON-CFTC (1-866-366-2382),  
E-mail at [enforcement@cftc.gov](mailto:enforcement@cftc.gov) or Visiting the CFTC's Consumer Protection web page.
2. Contact the National Futures Association to see whether the company is registered with the CFTC or is a member of the National Futures Association (NFA). You can do this easily by calling the NFA (800-621-3570 or 800-676-4NFA) or by checking the NFA's registration and membership information on its website at [www.nfa.futures.org/basicnet/](http://www.nfa.futures.org/basicnet/). While registration may not be required, you might want to confirm the status and disciplinary record of a particular company or salesperson.
3. Get in touch with other authorities, including your state's securities commissioner ([www.nasaa.org](http://www.nasaa.org)), Attorney General's consumer protection bureau ([www.naag.org/](http://www.naag.org/)), the Better Business Bureau ([www.bbb.org](http://www.bbb.org)) and the National Futures Association ([www.nfa.futures.org](http://www.nfa.futures.org)).
4. Be sure you get all information about the company and verify that data, if possible. If you can, check the company's materials with someone whose financial advice you trust.
5. Learn all possible information about fees charged, and the basis for each of these charges.
6. Keep records of any information and documents you receive from the company, and your conversations with salespersons. It's also a good idea to ask for sales representations in writing.

# TABLE OF CONTENTS

<b>DISCLAIMER</b>	1
<b>CFTC'S 10 TIPS ON AVOIDING FUTURES FRAUD</b>	2
SEASONAL NATURE OF CATTLE ON FEED	5
SEASONALITY OF CATTLE PLACEMENTS	6
SEASONALITY OF CATTLE MARKETING	7
SEASONAL NATURE OF HOG FARROWING	8
SLAUGHTER PATTERNS	9
<b>JANUARY 2007</b>	10
UNDERSTANDING THE CATTLE ON FEED REPORT	11
JANUARY BULLISH FOR CATTLE	12
JANUARY MONTHLY SPREAD TRADING OPPORTUNITY	13
JANUARY REPORT OVERVIEW	14
<b>FEBRUARY 2007</b>	15
FEBRUARY MONTHLY SPREAD TRADING OPPORTUNITY	16
FEBRUARY REPORT OVERVIEW	17
THE SPRING BREAK IN CATTLE	18
<b>MARCH 2007</b>	19
MARCH REPORT OVERVIEW	20
MARCH MONTHLY SPREAD TRADING OPPORTUNITY	21
FADE THE OPENING GAP	22
<b>APRIL 2007</b>	23
APRIL MONTHLY SPREAD TRADING OPPORTUNITY	24
APRIL REPORT OVERVIEW	25
SEASONAL STRATEGY	26
<b>MAY 2007</b>	27
SEASONAL STRATEGY	28
SUMMER FEEDER HOLE	29
MAY REPORT OVERVIEW	30
MAY MONTHLY SPREAD TRADING OPPORTUNITY	31
SEASONAL STRATEGY	32
SEASONAL STRATEGY	33
<b>JUNE 2007</b>	34
JUNE MONTHLY SPREAD TRADING OPPORTUNITY	35
JUNE REPORT OVERVIEW	36
SEASONAL STRATEGY	37
SEASONAL STRATEGY	38
<b>JULY 2007</b>	39
JULY MONTHLY SPREAD TRADING OPPORTUNITY	40
JULY REPORT OVERVIEW	41
SEASONAL STRATEGY	42
<b>AUGUST 2007</b>	43
AUGUST REPORT OVERVIEW	44
SEASONAL STRATEGY	45
AUGUST MONTHLY SPREAD TRADING OPPORTUNITY	46
<b>SEPTEMBER 2007</b>	47
SEPTEMBER REPORT OVERVIEW	48
SEPTEMBER MONTHLY SPREAD TRADING OPPORTUNITY	49
LIMIT MOVES AND LIVESTOCK FUTURES	50
<b>OCTOBER 2007</b>	51
OCTOBER MONTHLY SPREAD TRADING OPPORTUNITY	52
OCTOBER WEAKNESS AND FEEDERS	53
OCTOBER REPORT OVERVIEW	54
SEASONAL STRATEGY	55

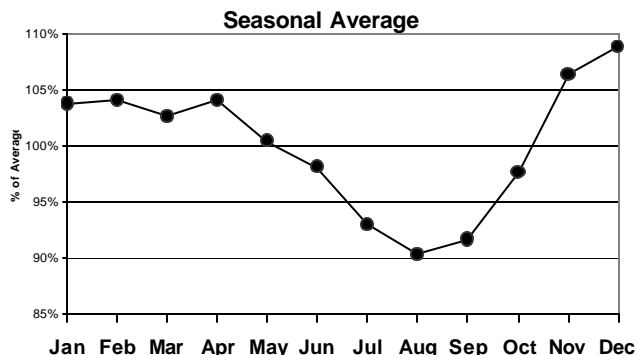
<b>NOVEMBER 2007</b>	<b>56</b>
NOVEMBER MONTHLY SPREAD TRADING OPPORTUNITY	57
NOVEMBER REPORT OVERVIEW	58
<b>DECEMBER 2007</b>	<b>59</b>
THE NEW YEAR MEAT SUPPLY HOLE	60
DECEMBER REPORT OVERVIEW	61
DECEMBER MONTHLY SPREAD TRADING OPPORTUNITY	62
SEASONAL STRATEGY	63
<b>APPENDIX I</b>	<b>64 TO 70</b>
CATTLE ON FEED	65
CATTLE PLACEMENTS	66
CATTLE PLACEMENTS BY WEIGHT	67
CATTLE MARKETINGS	68
CATTLE DISAPPEARANCE	69
FEDERALLY INSPECTED BEEF SLAUGHTER	70
<b>APPENDIX II</b>	<b>71 TO 77</b>
DECEMBER 1ST 50 STATE INVENTORY OF HOGS & PIGS	72
MARCH 1ST 50 STATE INVENTORY OF HOGS & PIGS	73
JUNE 1ST 50 STATE INVENTORY OF HOGS & PIGS	74
SEPTEMBER 1ST 50 STATE INVENTORY OF HOGS & PIGS	75
FEDERALLY INSPECTED HOG & PIG SLAUGHTER	76
PORK BELLY COLD STORAGE STOCKS - 1 <sup>ST</sup> OF MONTH	77
<b>APPENDIX III</b>	<b>78 TO 84</b>
MONTHLY LIVE CATTLE FUTURES PERFORMANCE SUMMARY	79
MONTHLY LIVE CATTLE TREND CONTINUATION STUDY	80
MONTHLY FEEDER CATTLE FUTURES PERFORMANCE SUMMARY	81
MONTHLY FEEDER CATTLE TREND CONTINUATION STUDY	82
MONTHLY LEAN HOGS FUTURES PERFORMANCE SUMMARY	83
MONTHLY LEAN HOGS TREND CONTINUATION STUDY	84
<b>APPENDIX IV</b>	<b>85 TO 91</b>
SEASONAL CHARTS	86
LIVE CATTLE FUTURES SEASONAL CHARTS	87
FEEDER CATTLE FUTURES SEASONAL CHARTS	88 - 89
LEAN HOG FUTURES SEASONAL CHARTS	90 - 91
<b>APPENDIX V</b>	<b>92 TO 99</b>
SEASONAL VOLATILITY CHARTS	93
LIVE CATTLE FUTURES SEASONAL VOLATILITY CHARTS	94
FEEDER CATTLE FUTURES SEASONAL VOLATILITY CHARTS	95 - 96
LEAN HOG FUTURES SEASONAL VOLATILITY CHARTS	97 - 98
NOTES	99

# Seasonal Nature of Cattle On Feed

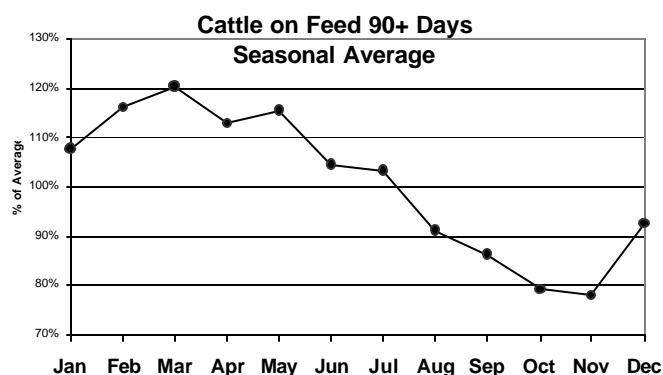
Unlike Hogs, which have moved production to indoor facilities, Cattle production from breeding to feeding is still done outdoors. As such, Cattle production is dependent upon the climate and the forces of nature. As such, Cattle On Feed numbers tend to be very seasonal in nature.

The bulk of Cattle are born in the spring, when pasture conditions are lush and weather is hospitable for calves. The spring born calves are typically placed on feed before winter sets in, as winter pasturing is difficult and usually involves adding feed to pasturing, a proposition many cow/calf operations do not wish to undertake.

The Cattle placed on feed in the fall are usually being marketed in the late winter/early spring. Hence, the number of cattle on feed tends to peak in December, and reach its trough in August.



In the last 19 years, the number of Cattle on Feed has traditionally varied by 21% throughout the year. Typically, the August/September lows, when pasture conditions are favorable and spring calves are not yet ready for placement, the number of Cattle on Feed tends to drop by – 10% below the yearly average.



The number of Cattle on Feed is a misleading statistic, as cattle on feed covers a wide variety of animals, some just starting out and others ready to be sold for slaughter (marketed) very soon. One way of looking at the supply of cattle ready for marketing is to look at the Cattle on Feed 90+ days. On average, the number of cattle on feed but close to marketing peaks in March/April, which coincides with the increase in marketings seen from March

through August. This large supply of cattle ready for slaughter tends to weigh on prices, causing futures to dip in April and May – traditionally the two worst months for cattle futures prices.

Cattle on feed 90+ days tends to bottom at the end of the year, as lots are full of the spring calf placements. This lack of supply of slaughter ready animals tends to be supportive of prices, counter acting worries about the large absolute numbers on feed currently – given the fall/early winter placement rush. It is the lack of supply of slaughter ready animals which probably accounts for the strength in the futures from November through February – the top four performing months for live cattle futures prices historically.

By understanding not only how and when cattle are placed but also what the composition of the cattle on feed is, the speculator/hedger in the live cattle futures market is better prepared to anticipate changes in pricing. Obviously, this only takes into account half of the equation – the supply side – but by understanding not only how many cattle are on feed, and the size relative to normal distributions, but how long they have been on feed can give the astute trader a leg up in anticipating price direction.

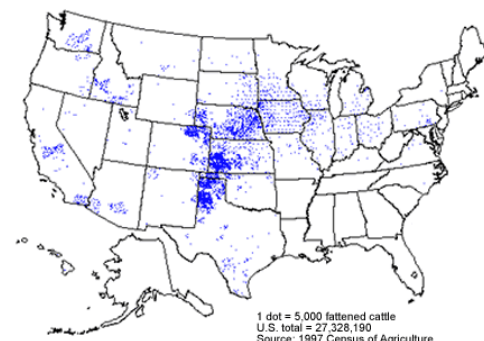
# Seasonality of Cattle Placements

Cattle placement is a tricky business. Everything from grain prices to transportation costs and availability, as well as weather can effect a decision to place or not.

Cow/calf operations and stocker operations must decide to place cattle on feed when it is most economical for them. However, they are running against the clock, as a small window of opportunity exists for them, in which their cattle weigh between 600 and 800 pounds. They must also be able to transport their cattle on pasture to a feedlot, which at times can be difficult.

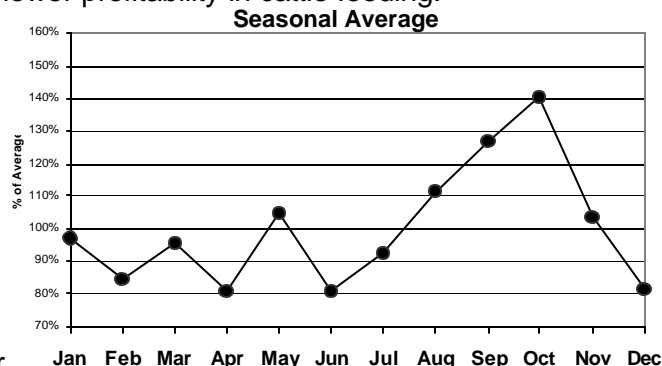
Pasture conditions can also wreak havoc on the early part of the production cycle. For example, during droughts when pasture conditions are extremely poor, cow/calf and stocker operations are forced to sell their cattle early, or feed them grain. Typically, most small to medium sized cow/calf and stocker operations are not prepared to feed grain rations, and as such would rather sell their production early and avoid the extra expense and risk associated with grain feeding.

Cattle fattened on grain and concentrates and sold, 1997



Besides weather, transportation, and pasture conditions, cattle placements are also effected greatly by demand for feeder cattle from feedlots. Space as well profitability are the key determining factors in feedlot demand for feeders. Obviously, during times of high profitability, feedlots wish to maximize production, and their appetite for feeder cattle is large. However, they have capacity issues, and strive to spread production out throughout the year. Ideally, the demand for feeder cattle is best when grain prices are low and live cattle prices are high. Droughts and other natural calamities, which can cause increased placements, also lower the profitability of feedlots, creating periods where feeder cattle prices suffer not only from excess supply but poor demand as well as rising grain prices lower profitability in cattle feeding.

Historically, placements tend to be the lowest in June/July when cow/calf and stocker operations can run their cattle on pasture. Pasture is the least expensive form of weight gain for cattle, and as such when possible cattle are typically held at pasture as long as possible. This limited supply tends to support feeder cattle futures prices in June and July, the two strongest months historically.

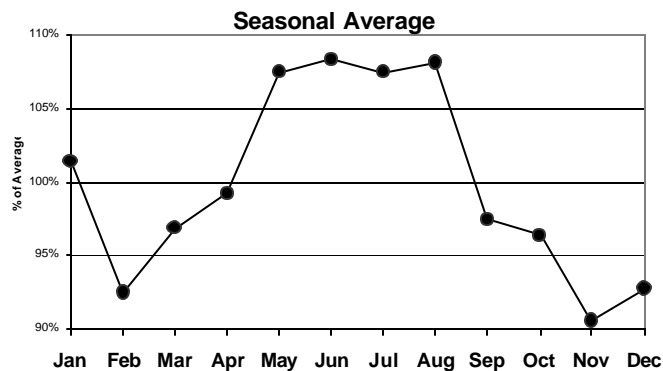


However, as pasture conditions deteriorate and winter approaches, the number of cattle being placed on feed tends to increase dramatically. Cow/calf and stocker operations try to lower their herd counts dramatically by the first heavy snow fall and the on set of winter in October/November. This mass rush to place cattle tends to be a drag of feeder cattle futures prices, as historically October and November have traditionally been the two worst months on record.

Understanding when and why cow/calf and stocker operations place cattle on feed can help speculators and hedgers to anticipate increases and decreases in the supply of feeder cattle. During the spring through fall, we present pasture conditions and historical grain prices – rough profitability measures for feedlots – so users of the Livestock Guide can better anticipate prices reactions to changing conditions in the Feeder Cattle market.

# Seasonality of Cattle Marketing

Cattle marketing is extremely seasonal and cyclical in nature. Not only is the supply of slaughter weight animals dependent upon the placement cycle, marketing can be greatly effected by other factors, such as consumer tastes, processing margins from packers and a whole slew of other variables.



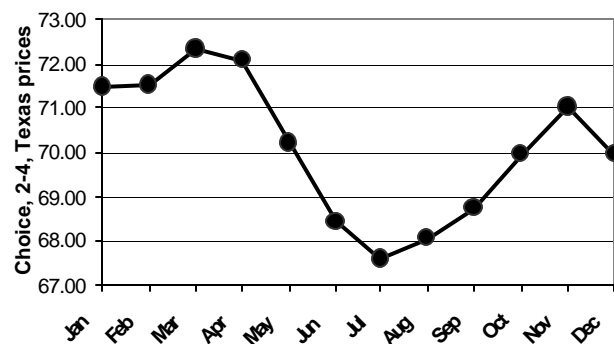
The law of supply and demand dictates that prices will rise when supply diminishes faster than demand or demand outstrips supply. It is often thought that because beef is a non-storable commodity (only able to be stored temporarily), that marketing is synonymous with demand. However, this may not be the case fully. However, examining this assumption against the typical price behavior of Cattle futures leads to a different conclusion.

Cattle marketing in the last 19 years have tended to peak from June through August, running up strongly in the later part of spring and early summer. The price of the Slaughter Steers (choice 2-4, Texas, 1100-1300 lbs) has historically been weak during this period of rising demand. Perhaps this is accounted for by the supply of beef outstripping demand.

Cattle marketing have tended to diminish in the fall and early winter (September through December); however, slaughter steer prices (choice 2-4, Texas, 1100-1300 lbs) tend to gain strongly in the later part of the year, as marketing diminish.

This apparent lack of correlation between marketing and prices is easily understood, if one takes a look at the beef marketing practices. Typically, slaughterhouses tend to gear up production when demand is strong. They adjust to increasing demand with increased slaughtering, as ideally this leaves the slaughterhouses with the lowest risk of having to discount large inventories, and allows them to maintain the largest profit margins. By keeping the supply of beef behind the demand curve and fulfilling current demand only, slaughterhouses are able to minimize their own risk, and manage the onslaught of supply during the late spring and summer months.

**Slaughter Steer Prices  
19 Year Seasonal Average**



Traditionally, the largest demand for beef, except for brief holiday demand for specific higher end cuts, is during the summer. With America on vacations, the amount of fast food (hamburgers) consumption is large, as well as demand from backyard barbeques. This allows the slaughterhouses to absorb the increase in slaughter ready animals with minimal lowering of bids. However, this same tactic tends to work to their detriment during times of slow demand. During these periods, they tend to run at lower capacities, and large orders or sudden surges in demand require them to go to the market for large supplies of animals at once. During the winter and early spring, when the supply of slaughter ready animals is low, packers must raise their bids to encourage feedlots to take animals off of feed to meet their demand. Also, since the packers are not prepared for these sudden surges, they tend to bid more aggressively to obtain supply.

By understanding the natural supply and demand cycle for beef, the astute marketer or speculator can be better prepared sudden shifts in supply and demand dynamics in the marketplace and the resulting effect on prices.



# Seasonal Nature of Hog Farrowing

Though Hog production has moved off the farm and into large, indoor, factory style production facilities in the last 5 years, the nature of Hog breeding has not changed all that much surprisingly. The most active time of the year for birthing (farrowing) is in the spring, with April commanding the highest spot, followed by May, June, and March. Hence, it is no wonder that everyone has heard of a Spring Pig!

The pattern of farrowings has a lot to do with the available supply of slaughter weight hogs at specific times of the year. Slaughter rates tend to increase from July through to the end of the year – with a sharp spike downward during the Holidays as slaughter plants shut for the Holidays.

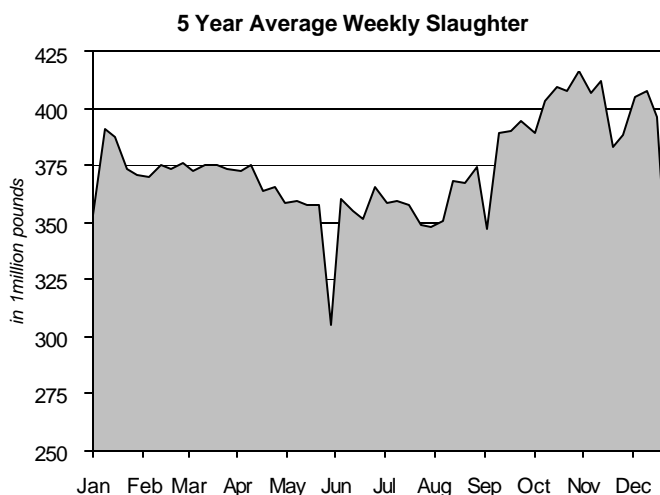
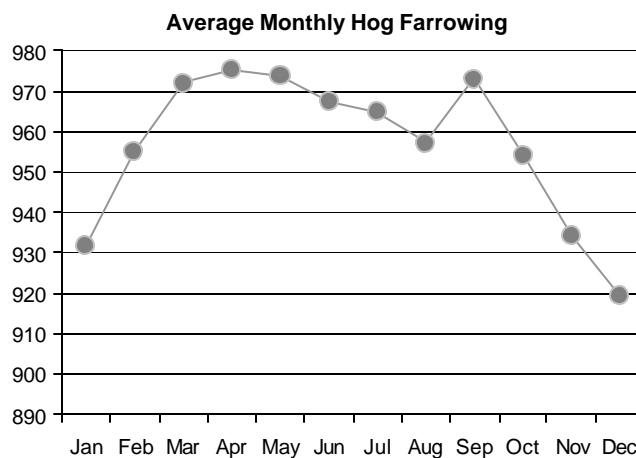
With this normal increase in supply, is it any wonder that the period from October to December is the weakest period for Hog futures. Based on the same general conclusions, the slowest time of the year for farrowings is October through January, with December marking the usual year low in Farrowings. Thus, it is not surprising that September is the strongest month on record for Hog prices, with a total gain of +43.80 cwt in the last 19 years basis the October futures.

The most consistently strong three month period is the March through May period, which coincides with the typical lows in slaughter patterns.

The pattern of slaughter is logically tied to the pattern of breeding and farrowing as breeding and farrowing lay the ground work for making slaughter ready Hogs. With the indoor facilities, Hogs can go from the birth to slaughter in as little roughly 40 weeks, thus making Spring Pigs into Christmas Hams.

Traders should watch roughly 9 months out after farrowing numbers. When farrowings are low, supply 9 months out can be tight, as the available supply of slaughter weight animals may be lacking and thus slaughter numbers could suffer. However, when farrowings are high, prices can come under pressure 9 months out as supplies can be plentiful and slaughter rates may increase.

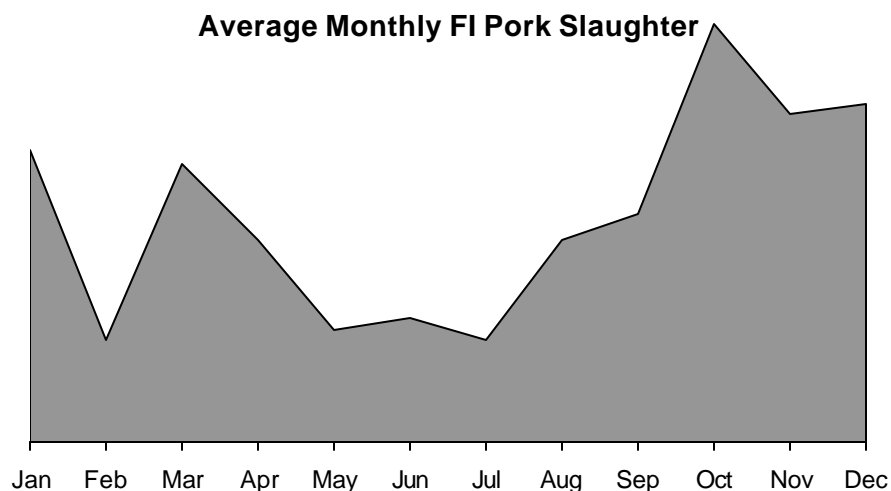
Of course, slaughter rates alone do not make up the price of Hog futures, as the consumer is the ultimate price setter. However, given the fickle nature of consumer tastes, the supply side of the market is much easier to predict, especially when Hog market participants remember farrowing patterns from the previous 9 months, as these will effect slaughter patterns which have a strong influence on price. Traders should pay particular attention to the February through April farrowings, as these will have a strong impact on prices in September through December, as well as the October through December farrowing period, as this will greatly effect August through October period, which is typically a time of great volatility.



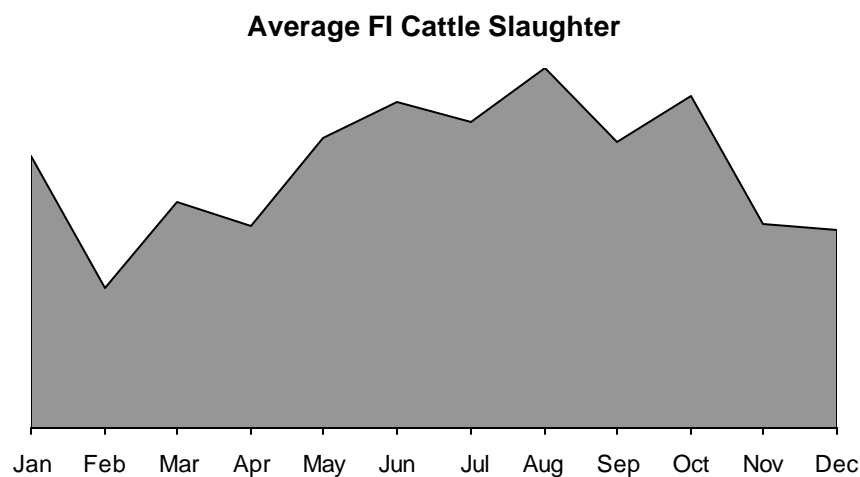
# Slaughter Patterns

Just as breeding and feeding patterns tend to follow a semi-regular pattern throughout the year, so too does slaughter. Packers try to keep animal slaughter rates in line with future demand, which is extremely seasonal in nature.

In the Hog market, slaughter rates tend to bottom in July and pick up throughout the summer and into late fall, finally topping out in most years in early November. This makes sense, as demand for Pork tends to increase in the summer, and fall. Slaughter rates tend to slow in December due to the holidays, and decline in the early part of the year as dictated by breeding patterns. This pattern is evident in the 5 year average weekly slaughter graph below.



The Cattle market follows a similar balancing act between available supply and consumer demand, though it is not as pronounced as that for Pork. Slaughter tends to peak in June to meet barbeque demand for the summer as well as to free up space in feedlots for the summer/fall placement rush.



Though generally increased slaughter is viewed as a negative for pricing, one should look at cash pricing – like pork cut-outs and boxed beef prices – in conjunction with slaughter levels. If prices are rising on increasing slaughter it is a clue that consumer demand is strong, while when prices decline it is evident that slaughter rates are greater than demand.

# JANUARY 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
<b>1</b> NEW YEAR HOLIDAY	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	6/7	<b>1</b>
<b>8</b>	<b>9</b> CROP	<b>10</b>	<b>11</b>	<b>12</b>	13/14	<b>2</b>
<b>15</b> MARTIN LUTHER KING - HOLIDAY	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	20/21	<b>3</b>
<b>22</b> COLD STORAGE	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b> CATTLE ON FEED	27/28	<b>4</b>
<b>29</b>	<b>30</b>	<b>31</b>				<b>5</b>

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. APRIL LIVE CATTLE UP 15 / DOWN 4 IN JANUARY 2. LIVE CATTLE STRONG IN 1 <sup>ST</sup> HALF OF JANUARY 3. 7 OF LAST 9 FEEDER CATTLE BREAKS IN JANUARY CONTINUED THROUGH FEBRUARY

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#1	WEEK#2	WEEK#3	WEEK#4	WEEK#5
<b>FEBRUARY LIVE CATTLE</b>					
#UP	11	10	12	9	9
#DOWN	7	8	7	10	9
TOTAL CHANGE	-11.01	11.15	13.36	4.54	-1.02
AVG CHANGE	-0.58	0.59	0.70	0.24	-0.05
<b>MARCH FEEDER CATTLE</b>					
#UP	8	9	12	13	9
#DOWN	11	10	6	6	10
TOTAL CHANGE	-6.48	5.58	8.89	6.84	-4.97
AVG CHANGE	-0.34	0.29	0.47	0.36	-0.26
<b>FEBRUARY LEAN HOGS</b>					
#UP	10	8	14	12	9
#DOWN	9	11	5	7	10
TOTAL CHANGE	3.83	5.57	7.78	10.10	-6.91
AVG CHANGE	0.20	0.29	0.41	0.53	-0.36

# Understanding The Cattle On Feed Report

On the third Friday of each month, the United States Department of Agricultural/ National Agricultural Statistics Service (USDA/NASS) release a report which highlights the current situation in the cattle industry, known as the Cattle On Feed Report.

The report highlights the total number of cattle and calves on feed, placements, marketings, and other disappearance; by class and feedlot capacity for selected states; number of feedlots and fed cattle marketings by size groups for selected states. The Cattle on Feed report is a simple accounting of cattle going into feedlots and cattle leaving feedlots. However, many of the terms used are somewhat confusing to those of us not raised in the business.

The term “**On Feed**” refers to the number of cattle and calves being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better at slaughter. Each month you have two On Feed numbers presented, the previous month’s On Feed number and the current month’s On Feed statistic, July and August respectively in the example to the right.

In order to obtain a count of the new Cattle On Feed number, one must be aware of the number of cattle and calves **Placed On Feed** during the previous month. Known as placements, these are new animals entering the feedlot. Placements are indicative of future supply as well as the demand for feeder cattle.

The number of animals leaving the feedlots for slaughter is accounted for in the **Fed Cattle Marketed** during the month. Known in shorthand as marketings, this indicates the supply of Live Cattle ready for slaughter. Because beef is a perishable item, marketings are also indicative of demand, as all slaughtered animals will eventually be consumed.

Other Disappearance refers to death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding. Though a small percentage is moved out due to these reasons, disappearance is often unaccounted for, and can sway supply and demand balances.

The final Cattle On Feed estimate is made by adding the number of placements to the number of Cattle On Feed in the previous month and subtracting Marketings and Other Disappearance.

***Current Cattle on Feed = Previous Cattle on Feed + Placements – Marketings – Disappearance***

Cattle statistics are usually disseminated in both absolute number of head, as well as a percentage of the previous years monthly statistic. For example, on August 1<sup>st</sup>, 2001 the USDA/NASS estimated that 9.387 million head of cattle were on feed, or 107% of the August 1<sup>st</sup>, 2000 figure. Because cattle feeding is extremely seasonal and cyclical in nature, it makes sense that these statistics are presented in percentage of the previous year’s terms, as this gives a better feel for increases or decreases than absolute numbers.

The Cattle On Feed report also gives a break down of the weight of animals placed on feed. Each month, the Livestock Trader’s Almanac provides you with a historical reference for the Cattle On Feed Report in the Fundamental Overview section, so you can make more realistic and informed decisions regarding the information presented.

# JANUARY BULLISH FOR CATTLE

January is an exceptionally bullish time of the year for Live Cattle. April Live Cattle have increased during the month of January in 15 of the last 19 years. The average rally has exceeded +2.37 cents/lb, while the average break has been a paltry -1.32 cents/lb.

## APRIL LIVE CATTLE CHANGES IN CENTS/LB

Year	Dec Close	Jan High	Jan Low	Jan Close	Jan Change	Jan Rally Jan High- Dec Close	Jan Break Jan Low- Dec Close
2006	95.05	95.55	90.83	91.58	-3.47	0.50	-4.22
2005	85.63	90.30	85.65	88.33	2.70	4.68	0.03
2004	71.50	77.70	70.50	73.43	1.93	6.20	-1.00
2003	78.90	80.15	77.10	79.98	1.07	1.25	-1.80
2002	73.68	75.95	72.90	75.53	1.85	2.28	-0.77
2001	79.13	81.00	76.38	76.83	-2.30	1.88	-2.75
2000	71.58	73.50	71.00	72.05	0.47	1.93	-0.58
1999	63.03	66.50	62.45	65.08	2.05	3.48	-0.57
1998	68.78	69.70	65.95	67.48	-1.30	0.92	-2.83
1997	65.55	67.20	65.10	66.83	1.28	1.65	-0.45
1996	66.38	67.00	62.73	63.85	-2.53	0.63	-3.65
1995	72.90	75.25	72.95	74.15	1.25	2.35	0.05
1994	75.73	77.15	74.93	76.45	0.73	1.43	-0.80
1993	76.68	79.45	76.55	76.85	0.17	2.78	-0.13
1992	73.03	77.30	72.85	77.15	4.13	4.27	-0.18
1991	76.48	77.68	74.20	77.53	1.05	1.20	-2.27
1990	75.68	77.70	75.10	76.03	0.35	2.03	-0.58
1989	75.48	76.65	73.15	76.43	0.95	1.18	-2.32
1988	65.43	70.25	65.10	67.80	2.38	4.83	-0.33
#Up					15	19	2
Average					0.67	2.39	-1.32

Past performance is not necessarily indicative of future results. See disclaimer on page 1

Cattle prices tend towards strength at the beginning of the year due to a combination of transportation difficulties as well as the normal slaughter pattern for Cattle.

Transportation difficulties cause supply to be tight in many years. This is exaggerated by the fact that slaughter rates tend to be slow at the beginning of the year anyway, as much of the cattle placed on feed in the fall and early winter has not reached slaughter weight. Hence supply is normally tight, supporting prices in most years as can be seen by the fact that April Live Cattle futures have posted gains in January in 15 of the last 19 years.

# JANUARY MONTHLY SPREAD TRADING OPPORTUNITY

Slower slaughter rates during the holidays and plant closures during December can create tightness in January. Movement also tends to be slow, as inland waterways are frozen. This creates a situation where nearby contracts tend to gain on deferred's in the Livestock Markets (bull spreads).

- Long April Live Cattle, Short June Live Cattle: Enter on roughly the 1<sup>st</sup> trading day of January, Exit on roughly the 11<sup>th</sup> to last trading day of January

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
1/2/1992	4.63	1/17/1992	4.38	-0.25	4.95	0.33	4.35	-0.27
1/4/1993	3.73	1/15/1993	5.08	1.35	5.08	1.35	3.53	-0.20
1/3/1994	1.65	1/17/1994	2.18	0.53	2.33	0.68	1.30	-0.35
1/3/1995	5.93	1/17/1995	6.70	0.77	6.70	0.77	5.88	-0.05
1/2/1996	3.95	1/17/1996	3.98	0.02	4.03	0.08	3.53	-0.43
1/2/1997	2.43	1/17/1997	2.63	0.20	3.05	0.63	2.43	0.00
1/2/1998	0.25	1/15/1998	-0.63	-0.88	0.25	0.00	-0.95	-1.20
1/4/1999	0.05	1/14/1999	0.95	0.90	1.13	1.08	0.05	0.00
1/3/2000	2.08	1/14/2000	2.40	0.33	2.58	0.50	1.78	-0.30
1/2/2001	4.23	1/17/2001	5.95	1.73	5.98	1.75	4.00	-0.23
1/2/2002	3.48	1/16/2002	3.93	0.45	4.18	0.70	3.40	-0.07
1/2/2003	6.53	1/16/2003	7.48	0.95	8.15	1.63	6.53	0.00
1/2/2004	2.75	1/15/2004	3.95	1.20	3.95	1.20	2.38	-0.38
1/3/2005	5.68	1/18/2005	6.25	0.57	6.68	1.00	5.68	0.00
1/3/2006	7.75	1/18/2006	7.25	-0.50	7.75	0.00	6.83	-0.93

# Observations	15	Total P&L	7.38	Worst P&L	-0.88
# Up	13	Average P&L	0.49	Average Draw	-0.29
# Down	2	Average Gain	0.75	Worst Draw	-1.20
% Up	87%	Average Loss	-0.54	Worst Draw on Gain	-0.43

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# JANUARY REPORT OVERVIEW

## CATTLE ON FEED

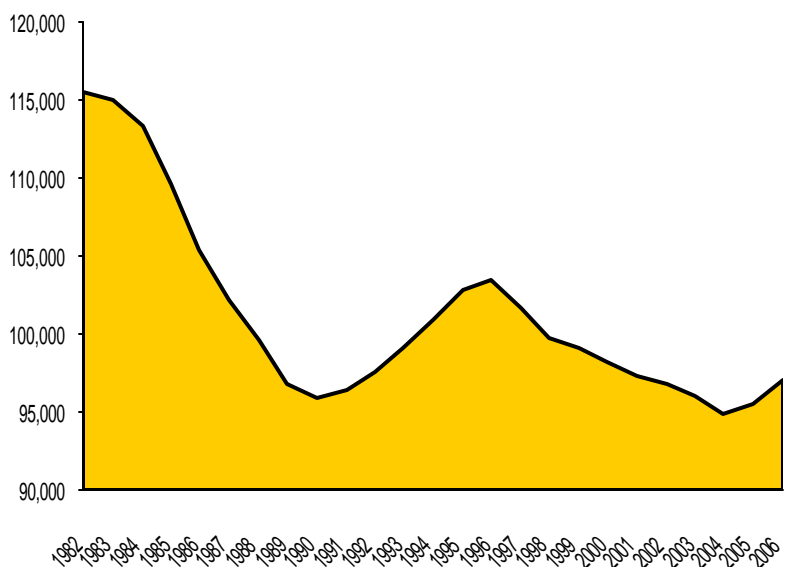
	2002	2003	2004	2005	2006	2007
Cattle On Feed Dec 1st	11,891	9,395	11,330	11,334	11,726	11,973
During Dec						
Placed on Feed	1,578	1,380	1,748	1,834	1,884	
Fed Cattle Marketed	1,811	1,801	1,740	1,777	1,715	
Other Disappearance	93	99	90	92	91	
Cattle on Feed Jan 1st	11,572	10,593	11,565	11,299	11,804	

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

## COW/CALF REPORT

Year	Calf Crop
1999	99,115
2000	98,199
2001	97,298
2002	96,723
2003	96,100
2004	94,888
2005	95,438
2006	97,102



January through June Calf Crop numbers in 1,000 head

# FEBRUARY 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
			1	2	3/4	5
5	6	7	8	9	10/11	6
12	13	14	15 HOGS – ANNUAL CATTLE – ANNUAL	16	17/18	7
19	20	21	22 COLD STORAGE	23 CATTLE ON FEED	24/25	8
26	27	28				9

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED 2. COLD STORAGE 3. ANNUAL CATTLE 4. ANNUAL HOGS & PIGS	1. JANUARY WEAKNESS IN FEEDERS CONTINUES THROUGH FEBRUARY 2. FEBRUARY FEEDER STRENGTH REVERSED IN MARCH 3. FEBRUARY HOG RALLIES CONTINUE IN MARCH

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#5	WEEK#6	WEEK#7	WEEK#8	WEEK#9
APRIL LIVE CATTLE					
#UP	9	12	10	10	12
#DOWN	10	7	9	9	7
TOTAL CHANGE	-4.08	8.33	3.22	-2.42	8.52
AVG CHANGE	-0.21	0.44	0.17	-0.13	0.45
MARCH FEEDER CATTLE					
#UP	9	8	9	9	7
#DOWN	10	11	10	10	12
TOTAL CHANGE	-4.97	-3.05	2.55	-6.74	-6.85
AVG CHANGE	-0.26	-0.16	0.13	-0.36	-0.36
APRIL LEAN HOGS					
#UP	7	8	4	8	14
#DOWN	12	11	15	11	5
TOTAL CHANGE	-5.12	2.82	-10.95	-1.72	6.64
AVG CHANGE	-0.27	0.15	-0.58	-0.09	0.35



# FEBRUARY MONTHLY SPREAD TRADING OPPORTUNITY

Low end of year and New Year demand tends to cause supply buildups in the interior of the country. Couple transportation difficulties as well as producers making room for spring farrowing and one can begin to get an idea why bear spreads work in this environment.

- Long June Lean Hogs, Short April Lean Hogs: Enter on roughly the 1<sup>st</sup> trading day of February, Exit on roughly the 9<sup>th</sup> trading day of March

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
2/3/1992	4.00	3/12/1992	5.78	1.78	5.78	1.78	3.60	-0.40
2/1/1993	4.65	3/11/1993	5.10	0.45	5.90	1.25	4.65	0.00
2/1/1994	4.35	3/11/1994	6.73	2.38	6.73	2.38	4.20	-0.15
2/1/1995	5.70	3/13/1995	6.85	1.15	6.85	1.15	5.38	-0.33
2/1/1996	5.60	3/13/1996	4.68	-0.93	5.75	0.15	4.08	-1.53
2/3/1997	5.25	3/13/1997	7.35	2.10	7.35	2.10	4.85	-0.40
2/2/1998	7.18	3/12/1998	7.78	0.60	9.25	2.08	7.18	0.00
2/1/1999	10.93	3/11/1999	12.30	1.38	12.53	1.60	8.98	-1.95
2/1/2000	7.48	3/13/2000	9.28	1.80	9.75	2.28	7.48	0.00
2/1/2001	6.08	3/13/2001	6.08	0.00	7.03	0.95	3.58	-2.50
2/1/2002	5.60	3/13/2002	8.65	3.05	8.75	3.15	5.48	-0.13
2/3/2003	7.50	3/13/2003	10.03	2.53	10.30	2.80	7.50	0.00
2/2/2004	4.85	3/11/2004	6.18	1.33	6.35	1.50	4.15	-0.70
2/1/2005	2.85	3/11/2005	8.38	5.53	8.38	5.53	2.85	0.00
2/1/2006	7.08	3/13/2006	8.90	1.83	9.55	2.48	7.08	0.00
# Observations		15	Total P&L	24.95	Worst P&L		-0.93	
# Up		13	Average P&L	1.66	Average Draw		-0.54	
# Down		2	Average Gain	1.99	Worst Draw		-2.50	
% Up		87%	Average Loss	-0.46	Worst Draw on Gain		-1.95	

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# FEBRUARY REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed 1st During Dec	11,798	11,572	10,593	11,565	11,299	11,804
Placed on Feed	2,263	1,902	2,135	1,751	1,888	
Fed Cattle Marketed	2,042	1,792	1,970	1,782	1,772	
Other Disappearance	78	74	75	94	73	
Cattle on Feed 1st	9,951	10,683	11,128	11,342	12,110	12,110

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# THE SPRING BREAK IN CATTLE

The period from the end of October through February is the strongest period on record for Live Cattle futures as often we see a hole in supply. In the last 19 years, June Live Cattle have posted gains during this period in 15 of the last 19 years. During the same period, June Live Cattle prices have displayed weakness in 12 of the last 19 years from February through May, as the placed cattle begin to make it into the pipeline.

June Live Cattle Futures Performance from February to May							
Year	Jan	Feb	Change	May	Feb - May Change	Mar-May High	Mar-May Low
2006	85.33	82.63	-2.70	79.70	-2.93	82.95	72.75
2005	82.62	82.35	-0.27	85.43	3.08	87.70	81.60
2004	70.60	72.93	2.33	87.68	14.75	88.00	71.50
2003	72.18	70.40	-1.77	75.58	5.18	76.90	67.90
2002	70.72	69.62	-1.10	60.47	-9.15	70.75	59.32
2001	71.58	73.95	2.38	74.63	0.67	74.85	71.65
2000	69.90	68.65	-1.25	67.78	-0.88	69.30	66.85
1999	64.20	65.60	1.40	64.25	-1.35	65.85	60.63
1998	68.65	66.58	-2.08	64.55	-2.03	69.48	64.03
1997	64.98	65.50	0.53	65.13	-0.38	65.55	63.00
1996	61.55	63.18	1.63	61.68	-1.50	63.05	54.00
1995	67.53	67.40	-0.13	61.03	-6.38	67.40	58.65
1994	74.53	74.98	0.45	66.28	-8.70	74.93	62.30
1993	72.53	74.33	1.80	75.33	1.00	76.98	74.05
1992	72.45	73.78	1.33	71.93	-1.85	74.63	71.55
1991	74.85	77.03	2.18	75.73	-1.30	77.28	74.25
1990	71.80	70.95	-0.85	74.00	3.05	73.13	70.90
1989	75.40	75.05	-0.35	68.90	-6.15	75.08	68.50
1988	66.85	68.40	1.55	72.15	3.75	72.38	67.38

## Hypothetical Performance Summary

### All Years

Average	-0.58	2.26	-4.34
Min	-9.15	-0.13	-12.68
Max	14.75	15.08	-0.05

### Following Down Februarys

Average	-1.80	-2.12	-4.79
Min	-9.15	-6.50	-10.30
Max	5.18	0.00	-0.05

Though the largest spring rally – in 1990 – occurred following a weak February so did the largest spring rally – 1987. Traders should also note that in only 3 of the 8 down February years was the February high violated to the upside in March through May – 1990, 1998, and 2003. Though history does not have to repeat itself, traders should look at getting short on February rallies for the coming “Spring Break” and be especially aggressive following a weak Winter – after all **“The Trend Is Your Friend... until it bends or ends!”**

# MARCH 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
			1	2	3/4	9
5	6	7	8	9	10/11	10
12	13	14	15	16	17/18	11
19	20	21	22 COLD STORAGE	23 CATTLE ON FEED	24/25	12
26	27	28	29	30 HOGS AND PIGS		13

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED	1. BEST MARCHS FOR HOGS FOLLOW STRONG FEBRUARYS
2. COLD STORAGE	2. WORST MONTH ON RECORD FOR LIVE CATTLE
3. HOGS AND PIGS	3. WEEK #9 STRONG FOR LEAN HOGS
	4. MARCH CATTLE TREND CONTINUES THROUGH APRIL

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#9	WEEK#10	WEEK#11	WEEK#12	WEEK#13
APRIL LIVE CATTLE					
#UP	12	11	9	6	10
#DOWN	7	8	10	12	9
TOTAL CHANGE	8.52	7.05	3.78	-7.10	-0.43
AVG CHANGE	0.45	0.37	0.20	-0.37	-0.02
APRIL FEEDER CATTLE					
#UP	9	9	8	8	13
#DOWN	10	10	11	11	6
TOTAL CHANGE	-5.32	-3.70	-3.90	-1.44	-0.66
AVG CHANGE	-0.28	-0.19	-0.21	-0.08	-0.03
APRIL LEAN HOGS					
#UP	14	11	10	13	10
#DOWN	5	8	9	6	9
TOTAL CHANGE	6.64	5.43	4.18	7.85	-2.13
AVG CHANGE	0.35	0.29	0.22	0.41	-0.11

# MARCH REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Mar 1st	11,695	9,905	10,521	10,977	11,154	
During Mar						
Placed on Feed	1,852	1,654	2,042	1,804	1,750	
Fed Cattle Marketed	1,926	1,565	1,803	1,966	1,963	
Other Disappearance	98	60	62	67	68	
Cattle on Feed Apr 1st	11,577	10,703	10,748	10,873	11,812	

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

## QUARTERLY HOGS AND PIGS

	2002	2003	2004	2005	2006	2007
All Hogs & Pigs	59,256	58,183	59,520	59,699	60,176	
Kept For Breeding	6,230	6,027	5,961	5,941	6,025	
For Market	53,026	52,156	53,558	53,757	54,151	
Dec-Feb						
Farrowed	2,835	2,769	2,836	2,835	2,840	
Pigs per Liter	8.77	8.81	8.85	8.94	9.03	
Pig Crop	24,857	24,400	25,105	25,343	25,661	
By Weigh Group	2002	2003	2004	2005	2006	2007
Under 60 Lbs	19,560	19,086	19,823	19,667	19,988	
60 - 199 Lbs	12,938	12,639	12,954	13,087	13,006	
120 - 179 Lbs	11,148	10,915	11,205	11,360	11,334	
180+ Lbs	9,380	9,516	9,578	9,644	9,824	

# MARCH MONTHLY SPREAD TRADING OPPORTUNITY

Consumptions tends to wane in the spring time. Couple this with cow/calf operators getting rid of winter pastured animals in preparation for spring calving, and supply typically increases during this weak demand period. Also transportation congestion is usually resolved.

- Long August Live Cattle, Short June Live Cattle: Enter on roughly the 8<sup>th</sup> trading day of March, Exit on roughly the 9<sup>th</sup> trading day of May

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
3/11/1992	-4.05	5/13/1992	-2.85	1.20	-2.83	1.23	-5.05	-1.00
3/10/1993	-4.03	5/14/1993	-2.83	1.20	-2.45	1.58	-4.08	-0.05
3/10/1994	-1.63	5/12/1994	-0.68	0.95	-0.38	1.25	-2.03	-0.40
3/10/1995	-2.95	5/11/1995	-0.20	2.75	-0.20	2.75	-2.95	0.00
3/12/1996	-0.70	5/13/1996	2.15	2.85	3.00	3.70	-1.40	-0.70
3/12/1997	-1.40	5/14/1997	-0.05	1.35	0.48	1.88	-1.40	0.00
3/12/1998	0.90	5/13/1998	1.33	0.43	1.55	0.65	0.18	-0.73
3/11/1999	-2.15	5/13/1999	0.28	2.43	0.45	2.60	-2.15	0.00
3/10/2000	0.45	5/11/2000	0.70	0.25	0.93	0.48	-0.08	-0.53
3/12/2001	-1.15	5/11/2001	0.55	1.70	0.55	1.70	-1.15	0.00
3/12/2002	-0.73	5/13/2002	0.95	1.68	0.95	1.68	-0.73	0.00
3/12/2003	-2.75	5/13/2003	-4.48	-1.73	-1.98	0.78	-4.63	-1.88
3/10/2004	-1.63	5/13/2004	2.15	3.78	2.45	4.08	-2.25	-0.63
3/10/2005	-3.28	5/12/2005	-0.25	3.03	0.75	4.03	-3.28	0.00
3/10/2006	1.28	5/11/2006	1.50	0.23	2.38	1.10	1.25	-0.03
<b># Observations</b>	15	<b>Total P&amp;L</b>	22.08	<b>Worst P&amp;L</b>	-1.73			
<b># Up</b>	14	<b>Average P&amp;L</b>	1.47	<b>Average Draw</b>	-0.40			
<b># Down</b>	1	<b>Average Gain</b>	1.70	<b>Worst Draw</b>	-1.88			
<b>% Up</b>	93%	<b>Average Loss</b>	-1.73	<b>Worst Draw on Gain</b>	-1.00			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# Fade the Opening Gap

On the trading floor, “locals” or “Merc Jerks” are taught very early on to go in the opposite direction of the opening, or to “fade an opening gap.” Because floor traders are generally buyers to the public sellers and sellers to the public buying, positioning in the opposite direction of an opening gap comes as second nature, as gap up openings are caused by a predominance of buyers while a gap down opening is caused by a predominance of sellers.

Usually gaps on the opening are in reaction to some sort of overnight news development, and the ensuing herd reaction to it. As another old adage says ... **“Buy the Rumor, Sell the Fact!”**

The tendency for opening Gaps to be filled is largely dependent upon the size of the gap. Obviously, the smaller the gap, the more likely it will be filled. But, interestingly, the larger the gap, the more persistent the tendency for the days session to move in the opposite direction.

The following table shows all of opening gaps for Live Cattle and Lean Hog futures in the last 5 years, broken down by above average Gap Types (Up or Down) during a recent 5 year period.

	Live Cattle			Lean Hogs		
	Total	+0.30 Gap	-0.20 Gap	Total	+0.30 Gap	-0.30 Gap
# Occurrences	290	43	47	328	43	26
# Filled	216	15	29	226	15	15
# UnFilled	74	28	18	102	28	11
% Filled	74%	35%	62%	69%	35%	58%
Avg Fade	0.10	0.17	0.20	-0.03	0.17	0.28
# Fade	154	19	28	154	21	10
% Fade	53%	44%	60%	47%	49%	38%

Opening Up Gap is defined as a open above the previous sessions high, while a down opening gap is defined as an opening below the previous days low. # Filled is defined as an up gap trading below the previous sessions High, while Filled for a down occurs when high for the current session is greater than the previous sessions low. Fade refers to the direction the market moves against the opening gap, with an up gap fade being the Open – Close, and a down gap fade being the Close – Open. Data compliments of Gecko Software (<http://www.trytnt.com/>), day session only data used, covering December 1998 through November 2003, using the April, August and December contracts.

The “edge” in fading an opening gap can be seen directly in the percentages of opening gaps which are Filled. As the gaps get larger, the number filled drops off substantially, however the persistency of the trend during the session to move in the opposite direction – The “Fade” – becomes substantially stronger.

Using these observations, traders may wish to take a lesson from the locals and look to “Fade” the opening gap in the Livestock markets.

# APRIL 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
					31/1	<b>13</b>
<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b> GOOD FRIDAY HOLIDAY	7/8 <b>EASTER</b>	<b>14</b>
<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	14/15	<b>15</b>
<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b> COLD STORAGE CATTLE ON FEED	21/22	<b>16</b>
<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	28/29	<b>17</b>
<b>30</b>						<b>18</b>

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. MARCH LIVE CATTLE TREND CONTINUES THROUGH APRIL 2. MARCH FEEDER CATTLE TREND CONTINUES THROUGH APRIL 3. AUGUST FEEDERS STRONG END OF APRIL THROUGH JULY

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#14	WEEK#15	WEEK#16	WEEK#17	WEEK#18
<b>JUNE LIVE CATTLE</b>					
#UP	11	10	3	13	12
#DOWN	8	9	16	6	7
TOTAL CHANGE	3.55	-4.16	-12.90	4.30	12.03
AVG CHANGE	0.19	-0.22	-0.68	0.23	0.63
<b>MAY FEEDER CATTLE</b>					
#UP	10	9	5	8	16
#DOWN	8	10	14	10	3
TOTAL CHANGE	-0.52	-5.32	-12.28	-5.17	17.23
AVG CHANGE	-0.03	-0.28	-0.65	-0.27	0.91
<b>JUNE LEAN HOGS</b>					
#UP	9	14	13	10	12
#DOWN	10	5	6	9	7
TOTAL CHANGE	0.17	5.43	9.70	-1.85	8.25
AVG CHANGE	0.01	0.29	0.51	-0.10	0.43



# APRIL MONTHLY SPREAD TRADING OPPORTUNITY

Winter On-Feed supplies are looming over the market. This coupled with the freeing up of the transportation system tends to weigh heavily on Cattle prices, especially the front month futures. In this environment, short nearby and long deferred contract strategies (bear spreads) tend to work well.

- Long December Live Cattle, Short June Live Cattle: Enter on roughly the 5<sup>th</sup> trading day of April, Exit on roughly the 3<sup>rd</sup> trading day of May

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
4/7/1992	-4.53	5/5/1992	-4.38	0.15	-3.30	1.23	-4.78	-0.25
4/7/1993	-2.13	5/5/1993	-2.08	0.05	-1.03	1.10	-2.68	-0.55
4/8/1994	-0.65	5/4/1994	2.55	3.20	2.55	3.20	-0.65	0.00
4/7/1995	0.48	5/3/1995	1.45	0.98	1.73	1.25	-0.03	-0.50
4/8/1996	-0.08	5/3/1996	0.83	0.90	4.85	4.93	-0.08	0.00
4/7/1997	6.23	5/5/1997	5.23	-1.00	6.45	0.23	4.53	-1.70
4/7/1998	2.18	5/5/1998	1.43	-0.75	2.45	0.28	0.93	-1.25
4/8/1999	2.78	5/5/1999	2.95	0.18	3.08	0.30	1.90	-0.88
4/7/2000	4.75	5/3/2000	4.80	0.05	4.88	0.13	3.93	-0.83
4/6/2001	1.65	5/3/2001	2.98	1.33	2.98	1.33	1.65	0.00
4/5/2002	4.75	5/3/2002	5.23	0.48	5.85	1.10	4.33	-0.43
4/7/2003	0.05	5/5/2003	0.28	0.23	0.85	0.80	-0.45	-0.50
4/7/2004	1.98	5/5/2004	-1.85	-3.83	4.28	2.30	-1.85	-3.83
4/6/2005	1.65	5/3/2005	2.98	1.33	2.98	1.33	1.65	0.00
4/7/2006	6.78	5/3/2006	7.53	0.75	8.43	1.65	6.65	-0.13
<b># Observations</b>	15	<b>Total P&amp;L</b>	4.03	<b>Worst P&amp;L</b>	-3.83			
<b># Up</b>	12	<b>Average P&amp;L</b>	0.27	<b>Average Draw</b>	-0.72			
<b># Down</b>	3	<b>Average Gain</b>	0.80	<b>Worst Draw</b>	-3.83			
<b>% Up</b>	80%	<b>Average Loss</b>	-1.86	<b>Worst Draw on Gain</b>	-0.88			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# APRIL REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Apr 1st	11,523	11,577	10,703	10,748	10,873	11,804
During Apr						
Placed on Feed	1,551	1,453	1,870	1,603	1,660	
Fed Cattle Marketed	1,815	1,996	1,985	1,894	1,801	
Other Disappearance	89	83	63	97	91	
Cattle on Feed May 1st	10,951	10,530	10,360	10,641	11,559	12,110

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# SEASONAL STRATEGY

- Buy August Feeder Cattle on roughly the 5<sup>th</sup> to last trading day of April, Exit on roughly the 6<sup>th</sup> to last trading day of July

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
04/24/06	101.22	07/24/06	113.35	12.12	\$6,062.50	117.92	06/27/06	100.80	04/25/06
04/25/05	109.25	07/22/05	107.65	-1.60	(\$800.00)	113.92	06/07/05	105.40	07/15/05
04/26/04	95.72	07/23/04	114.70	18.98	\$9,487.50	114.80	07/23/04	94.15	07/15/04
04/24/03	81.83	07/24/03	90.17	8.35	\$4,175.00	91.15	07/24/03	81.58	07/15/03
04/24/02	73.32	07/24/02	75.45	2.13	\$1,065.00	79.90	05/08/02	71.82	04/25/02
04/24/01	88.17	07/24/01	90.17	2.00	\$1,000.00	92.75	06/25/01	87.40	05/09/01
04/24/00	85.62	07/24/00	87.22	1.60	\$800.00	88.40	07/17/00	83.25	05/22/00
04/26/99	74.15	07/23/99	76.75	2.60	\$1,300.00	78.77	06/14/99	71.65	05/10/99
04/24/98	78.00	07/24/98	69.80	-8.20	(\$4,100.00)	79.75	05/01/98	68.00	07/21/98
04/24/97	75.25	07/24/97	82.85	7.60	\$3,800.00	83.40	07/21/97	74.95	04/25/97
04/24/96	52.05	07/24/96	60.67	8.62	\$4,310.00	62.95	07/05/96	49.25	04/26/96
04/24/95	67.88	07/24/95	66.10	-1.78	(\$890.00)	68.50	04/28/95	63.55	05/09/95
04/22/94	79.55	07/22/94	79.82	0.27	\$135.00	80.20	07/22/94	71.10	05/26/94
04/26/93	84.82	07/23/93	86.25	1.43	\$715.00	88.65	07/01/93	84.50	04/27/93
04/24/92	76.17	07/24/92	82.42	6.25	\$3,125.00	82.55	07/24/92	74.70	05/28/92
04/24/91	87.15	07/24/91	89.77	2.62	\$1,310.00	90.15	07/12/91	85.80	05/21/91
04/24/90	81.27	07/24/90	88.38	7.11	\$3,555.00	88.40	07/24/90	80.85	05/21/90
04/24/89	76.35	07/24/89	83.90	7.55	\$3,775.00	84.35	07/24/89	75.65	04/27/89
04/25/88	77.10	07/22/88	77.38	0.28	\$140.00	79.45	05/13/88	69.15	06/23/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	77.93	\$ 30,185.00	Maximum Draw	-10.00	(\$5,000.00)
# Win	16	Average P&L	4.10	\$ 2,012.33	Average Draw	-2.70	(\$1,363.33)
# Loss	3	Average Win	5.59	\$ 2,997.92			
% Win	84%	Average Loss	-3.86	\$ (1,930.00)	Worst Draw on Win	-8.45	(\$4,225.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# MAY 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
	1	2	3	4	5/6	18
7	8	9	10	11	12/13	19
14	15	16	17	18 CATTLE ON FEED	19/20	20
21 COLD STORAGE	22	23	24	25	26/27	21
28 MEMORIAL DAY HOLIDAY	29	30	31			22

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. JULY HOGS WEAK LATER HALF OF MAY 2. SECOND WORST MONTH ON RECORD FOR HOGS 3. FEEDERS STRONG THROUGH JULY

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#18	WEEK#19	WEEK#20	WEEK#21	WEEK#22
<b>JUNE LIVE CATTLE</b>					
#UP	12	7	6	10	8
#DOWN	7	11	13	9	11
TOTAL CHANGE	12.03	-2.07	-7.47	2.42	0.05
AVG CHANGE	0.63	-0.11	-0.39	0.13	0.00
<b>AUGUST FEEDER CATTLE</b>					
#UP	14	10	9	12	8
#DOWN	5	9	10	7	11
TOTAL CHANGE	10.04	0.71	-3.33	3.46	-3.34
AVG CHANGE	0.53	0.04	-0.18	0.18	-0.18
<b>JUNE LEAN HOGS</b>					
#UP	12	12	9	7	4
#DOWN	7	7	10	12	15
TOTAL CHANGE	8.25	5.95	-0.03	-14.88	-8.27
AVG CHANGE	0.43	0.31	0.00	-0.78	-0.44

# SEASONAL STRATEGY

- Sell July Lean Hogs on roughly the 9<sup>th</sup> trading day of May, Exit on roughly the 4<sup>th</sup> to last trading day of May.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
05/11/06	67.28	05/25/06	64.67	2.60	\$1,040.00	68.10	05/22/06	64.50	05/25/06
05/12/05	76.78	05/25/05	71.00	5.78	\$2,310.00	77.05	05/20/05	69.85	05/25/05
05/13/04	75.45	05/25/04	73.60	1.85	\$740.00	75.80	05/20/04	72.60	05/18/04
05/13/03	65.62	05/27/03	64.10	1.53	\$610.00	67.70	05/20/03	63.83	05/27/03
05/13/02	55.37	05/28/02	47.20	8.17	\$3,268.00	55.60	05/21/02	47.20	05/28/02
05/11/01	65.55	05/25/01	63.30	2.25	\$900.00	66.20	05/21/01	62.65	05/25/01
05/11/00	72.00	05/25/00	67.67	4.33	\$1,732.00	72.50	05/12/00	67.00	05/24/00
05/13/99	60.80	05/25/99	56.12	4.68	\$1,872.00	60.95	05/14/99	55.45	05/25/99
05/13/98	60.58	05/26/98	59.98	0.60	\$240.00	62.28	05/19/98	59.23	05/21/98
05/13/97	84.60	05/27/97	81.85	2.75	\$1,100.00	85.63	05/20/97	80.80	05/27/97
05/13/96	61.35	05/28/96	58.63	2.72	\$1,088.00	62.25	05/20/96	57.30	05/28/96
05/11/95	42.23	05/25/95	43.53	-1.30	(\$520.00)	44.45	05/24/95	41.75	05/25/95
05/12/94	50.03	05/25/94	47.38	2.65	\$1,060.00	50.25	05/24/94	47.35	05/25/94
05/13/93	50.80	05/25/93	51.98	-1.18	(\$472.00)	52.58	05/25/93	50.45	05/18/93
05/13/92	46.45	05/26/92	45.35	1.10	\$440.00	46.65	05/26/92	44.75	05/21/92
05/13/91	56.70	05/28/91	56.42	0.28	\$112.00	56.85	05/14/91	54.83	05/20/91
05/11/90	62.20	05/25/90	63.83	-1.63	(\$652.00)	65.32	05/21/90	61.53	05/18/90
05/11/89	48.33	05/25/89	48.15	0.18	\$72.00	49.50	05/23/89	47.42	05/17/89
05/12/88	52.80	05/25/88	52.35	0.45	\$180.00	53.90	05/16/88	52.03	05/17/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	37.81	\$ 15,408.00	Maximum Draw	-3.12	(\$888.00)
# Win	16	Average P&L	1.99	\$ 1,027.20	Average Draw	-0.98	(\$349.15)
# Loss	3	Average Win	2.62	\$ 1,261.54			
% Win	84%	Average Loss	-1.37	\$ (496.00)	Worst Draw on Win	-2.08	(\$829.28)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# SUMMER FEEDER HOLE

During the early part of summer, the Cow/Calf operators definitely have the upper hand. Pasture conditions are typically good, and as such they can withhold supply from the feedlots if they are not bidding aggressively for supply.

This scenario is evident from the fact that August Feeders have rallied in 15 of the last 19 years from 1988 from May through July – with most years the trend continuing into expiration of the August contract.

August Feeder Cattle Summer Performance						
Year	May Settle	June Settle	July Settle	May to July Change	May to July Low	May to July High
2006	109.13	115.20	114.33	5.20	-1.22	8.80
2005	112.68	109.43	109.23	-3.45	-7.27	1.25
2004	107.20	109.40	114.65	7.45	-2.63	8.90
2003	85.30	86.70	90.35	5.05	-1.65	6.00
2002	74.48	75.50	76.98	2.50	0.00	4.48
2001	91.93	91.23	88.73	-3.20	-3.43	0.83
2000	84.78	86.45	86.10	1.32	-0.23	3.63
1999	75.53	74.55	76.88	1.35	-1.43	3.25
1998	74.55	71.78	67.28	-7.27	-7.40	1.85
1997	78.33	80.88	81.63	3.30	-2.68	5.08
1996	58.25	60.08	61.78	3.53	-0.25	4.70
1995	64.95	66.35	67.43	2.47	-1.13	2.93
1994	73.95	74.68	78.63	4.68	-2.70	6.25
1993	85.35	87.85	87.95	2.60	-0.17	3.30
1992	75.25	79.48	84.25	9.00	-0.33	9.00
1991	88.78	88.48	87.58	-1.20	-2.03	1.38
1990	83.65	84.03	89.83	6.18	-0.68	6.20
1989	76.45	80.88	83.50	7.05	0.10	7.90
1988	76.35	73.98	79.45	3.10	-7.20	3.55
Hypothetical Performance						
Average				2.61	-2.23	4.70
Min				-7.27	-7.40	0.83
Max				9.00	0.10	9.00

On average from the end of May through the end of July, August Feeders have gained 2.60 cwt. In all but 4 years, August Feeders managed to rally at least 3.00 cwt above their May settlement price in June or July. The average rally during this period from the May settlement to the June/July highs is 4.70 cwt, while the average break – from the May settle to the June/July lows – has historically been –2.23 cwt.

History does not have to repeat itself, but as traders we should be on the lookout for the February through May downtrend, which typical ends in the later part of May and for prices to regroup as cow/calf operators gain the upper hand in their marketing and have the ability – for a brief period of time – to be price setters not price takers.

# MAY REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Apr 1st	11,523	11,577	10,703	10,748	10,873	
During Apr						
Placed on Feed	1,551	1,453	1,870	1,603	1,660	
Fed Cattle Marketed	1,815	1,996	1,985	1,894	1,801	
Other Disappearance	89	83	63	97	91	
Cattle on Feed May 1st	10,951	10,530	10,360	10,641	11,559	

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# MAY MONTHLY SPREAD TRADING OPPORTUNITY

Hog populations tend to be increasing, while consumption tends to slow, thus weighing on June hogs. July Hogs tend to find support from increasing demand as barbequing increases into the summer months.

- Long August Lean Hogs, Short July Lean Hogs: Enter on roughly the 9<sup>th</sup> trading day of May, Exit on roughly the 5<sup>th</sup> trading day of June

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
5/13/1992	-2.30	6/5/1992	-2.35	-0.05	-1.93	0.38	-2.65	-0.35
5/13/1993	-2.18	6/7/1993	-1.78	0.40	-1.78	0.40	-2.25	-0.07
5/12/1994	-1.45	6/7/1994	-0.45	1.00	-0.45	1.00	-1.85	-0.40
5/11/1995	-0.08	6/7/1995	0.08	0.15	0.20	0.28	-0.38	-0.30
5/13/1996	-4.83	6/7/1996	-2.80	2.03	-2.80	2.03	-5.03	-0.20
5/13/1997	-2.75	6/6/1997	-1.78	0.98	-1.33	1.43	-2.75	0.00
5/13/1998	-3.33	6/5/1998	-2.68	0.65	-2.65	0.68	-3.65	-0.33
5/13/1999	-1.15	6/7/1999	1.43	2.58	1.43	2.58	-1.15	0.00
5/11/2000	-3.48	6/7/2000	-0.63	2.85	-0.63	2.85	-3.48	0.00
5/11/2001	-4.05	6/7/2001	-2.80	1.25	-2.28	1.78	-4.05	0.00
5/13/2002	-2.45	6/7/2002	-1.03	1.43	-0.35	2.10	-2.45	0.00
5/13/2003	-0.80	6/6/2003	1.13	1.93	1.30	2.10	-0.80	0.00
5/7/2004	-2.98	6/7/2004	-0.28	2.70	-0.28	2.70	-2.98	0.00
5/12/2005	-1.33	6/7/2005	-0.88	0.45	-0.45	0.88	-1.58	-0.25
5/10/2006	-1.03	6/7/2006	-1.00	0.02	-0.35	0.68	-1.58	-0.55
<b># Observations</b>	15	<b>Total P&amp;L</b>	18.35	<b>Worst P&amp;L</b>	-0.05			
<b># Up</b>	14	<b>Average P&amp;L</b>	1.22	<b>Average Draw</b>	-0.16			
<b># Down</b>	1	<b>Average Gain</b>	1.31	<b>Worst Draw</b>	-0.55			
<b>% Up</b>	93%	<b>Average Loss</b>	-0.05	<b>Worst Draw on Gain</b>	-0.55			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL POSITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.



# SEASONAL STRATEGY

- Buy August Feeder Cattle on roughly the 8<sup>th</sup> to last trading day of May, Exit on roughly the 5<sup>th</sup> to last trading day of July.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
05/19/06	106.22	07/25/06	113.38	7.15	\$3,575.00	117.92	06/27/06	105.40	06/23/06
05/19/05	112.33	07/25/05	107.10	-5.23	(\$2,612.50)	113.92	06/07/05	105.40	07/15/05
05/19/04	102.92	07/26/04	115.30	12.38	\$6,187.50	115.50	07/26/04	101.50	07/15/04
05/20/03	82.97	07/25/03	90.20	7.23	\$3,612.50	91.15	07/24/03	81.67	05/21/03
05/21/02	74.17	07/25/02	76.85	2.68	\$1,340.00	78.95	07/12/02	73.80	05/31/02
05/21/01	90.95	07/25/01	89.70	-1.25	(\$625.00)	92.75	06/25/01	89.50	07/11/01
05/19/00	83.82	07/25/00	86.65	2.83	\$1,415.00	88.40	07/17/00	83.25	05/22/00
05/19/99	73.92	07/26/99	77.52	3.60	\$1,800.00	78.77	06/14/99	73.82	05/20/99
05/19/98	76.07	07/27/98	69.77	-6.30	(\$3,150.00)	76.75	05/20/98	68.00	07/21/98
05/20/97	77.30	07/25/97	82.65	5.35	\$2,675.00	83.40	07/21/97	75.65	06/10/97
05/21/96	55.55	07/25/96	61.73	6.18	\$3,090.00	62.95	07/05/96	54.85	06/11/96
05/19/95	66.00	07/25/95	66.27	0.27	\$135.00	67.88	07/11/95	63.83	06/19/95
05/19/94	74.52	07/25/94	78.95	4.43	\$2,215.00	80.20	07/22/94	71.10	05/26/94
05/19/93	84.82	07/26/93	86.82	2.00	\$1,000.00	88.65	07/01/93	84.55	05/26/93
05/19/92	75.42	07/27/92	82.77	7.35	\$3,675.00	83.75	07/27/92	74.70	05/28/92
05/21/91	86.35	07/25/91	89.62	3.27	\$1,635.00	90.15	07/12/91	85.80	05/30/91
05/21/90	84.77	07/25/90	88.77	4.00	\$2,000.00	88.80	07/25/90	82.97	07/03/90
05/19/89	77.57	07/25/89	83.67	6.10	\$3,050.00	84.35	07/24/89	76.07	05/30/89
05/19/88	77.52	07/25/88	77.75	0.23	\$115.00	78.97	07/22/88	69.15	06/23/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	62.27	\$ 24,332.50	Maximum Draw	-8.37	(\$4,035.00)
# Win	16	Average P&L	3.28	\$ 1,622.17	Average Draw	-2.22	(\$998.40)
# Loss	3	Average Win	4.69	\$ 2,560.00			
% Win	84%	Average Loss	-4.26	\$ (2,129.17)	Worst Draw on Win	-8.37	(\$1,710.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# SEASONAL STRATEGY

- Buy August Feeder Cattle on roughly the 8<sup>th</sup> to last trading day of May, Exit on roughly the 5<sup>th</sup> to last trading day of July.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
05/19/06	106.22	07/25/06	113.38	7.15	\$3,575.00	117.92	06/27/06	105.40	06/23/06
05/19/05	112.33	07/25/05	107.10	-5.23	(\$2,612.50)	113.92	06/07/05	105.40	07/15/05
05/19/04	102.92	07/26/04	115.30	12.38	\$6,187.50	115.50	07/26/04	101.50	07/15/04
05/20/03	82.97	07/25/03	90.20	7.23	\$3,612.50	91.15	07/24/03	81.67	05/21/03
05/21/02	74.17	07/25/02	76.85	2.68	\$1,340.00	78.95	07/12/02	73.80	05/31/02
05/21/01	90.95	07/25/01	89.70	-1.25	(\$625.00)	92.75	06/25/01	89.50	07/11/01
05/19/00	83.82	07/25/00	86.65	2.83	\$1,415.00	88.40	07/17/00	83.25	05/22/00
05/19/99	73.92	07/26/99	77.52	3.60	\$1,800.00	78.77	06/14/99	73.82	05/20/99
05/19/98	76.07	07/27/98	69.77	-6.30	(\$3,150.00)	76.75	05/20/98	68.00	07/21/98
05/20/97	77.30	07/25/97	82.65	5.35	\$2,675.00	83.40	07/21/97	75.65	06/10/97
05/21/96	55.55	07/25/96	61.73	6.18	\$3,090.00	62.95	07/05/96	54.85	06/11/96
05/19/95	66.00	07/25/95	66.27	0.27	\$135.00	67.88	07/11/95	63.83	06/19/95
05/19/94	74.52	07/25/94	78.95	4.43	\$2,215.00	80.20	07/22/94	71.10	05/26/94
05/19/93	84.82	07/26/93	86.82	2.00	\$1,000.00	88.65	07/01/93	84.55	05/26/93
05/19/92	75.42	07/27/92	82.77	7.35	\$3,675.00	83.75	07/27/92	74.70	05/28/92
05/21/91	86.35	07/25/91	89.62	3.27	\$1,635.00	90.15	07/12/91	85.80	05/30/91
05/21/90	84.77	07/25/90	88.77	4.00	\$2,000.00	88.80	07/25/90	82.97	07/03/90
05/19/89	77.57	07/25/89	83.67	6.10	\$3,050.00	84.35	07/24/89	76.07	05/30/89
05/19/88	77.52	07/25/88	77.75	0.23	\$115.00	78.97	07/22/88	69.15	06/23/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	62.27	\$ 24,332.50	Maximum Draw	-8.37	(\$4,035.00)
# Win	16	Average P&L	3.28	\$ 1,622.17	Average Draw	-2.22	(\$998.40)
# Loss	3	Average Win	4.69	\$ 2,560.00			
% Win	84%	Average Loss	-4.26	\$ (2,129.17)	Worst Draw on Win	-8.37	(\$1,710.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# JUNE 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
				1	2/3	22
4	5	6	7	8	9/10	23
11	12	13	14	15	16/17	24
18	19	20	21	22 CATTLE ON FEED COLD STORAGE	23/24	25
25	26	27	28	29 HOGS & PIGS	30/1	26

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED	1. FEEDERS STRONG THROUGH JULY
2. COLD STORAGE	2. OCTOBER LIVE CATTLE STRONG MID JUNE THROUGH MID JULY
3. HOGS & PIGS	3. HOG BREAKS IN JUNE REVERSED IN JULY
	4. CATTLE RALLIES IN JUNE CONTINUE THROUGH JULY

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#22	WEEK#23	WEEK#24	WEEK#25	WEEK#26
AUGUST LIVE CATTLE					
#UP	7	12	12	6	9
#DOWN	12	7	6	13	10
TOTAL CHANGE	0.18	2.65	4.50	-10.27	1.52
AVG CHANGE	0.01	0.14	0.24	-0.54	0.08
AUGUST FEEDER CATTLE					
#UP	8	12	15	9	12
#DOWN	11	7	4	10	7
TOTAL CHANGE	-3.34	4.97	14.64	-8.40	4.11
AVG CHANGE	-0.18	0.26	0.77	-0.44	0.22
JULY LEAN HOGS					
#UP	4	12	8	13	9
#DOWN	15	7	11	6	10
TOTAL CHANGE	-8.27	7.78	-9.97	0.57	0.55
AVG CHANGE	-0.44	0.41	-0.52	0.03	0.03

# JUNE MONTHLY SPREAD TRADING OPPORTUNITY

Processing margins tend to wane in this period as consumers do not seem anxious to pay up for beef. This weakness – especially in Boxed Beef prices – tends to weigh on near by contracts relative to deferred contracts, especially as slaughter rates begin increasing.

- Long October Live Cattle, Short August Live Cattle: Enter on roughly the 9<sup>th</sup> trading day of June, Exit on roughly the 5<sup>th</sup> trading day of July

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
6/11/1992	-0.38	7/8/1992	0.10	0.48	0.43	0.80	-0.38	0.00
6/11/1993	-0.05	7/8/1993	0.35	0.40	0.58	0.63	-0.08	-0.03
6/13/1994	3.13	7/8/1994	3.55	0.43	4.43	1.30	3.13	0.00
6/13/1995	0.68	7/10/1995	1.05	0.38	1.38	0.70	0.60	-0.08
6/13/1996	1.30	7/8/1996	2.20	0.90	2.40	1.10	0.88	-0.43
6/12/1997	3.48	7/8/1997	3.95	0.48	3.95	0.48	2.65	-0.83
6/11/1998	-0.58	7/8/1998	0.55	1.13	0.55	1.13	-0.83	-0.25
6/11/1999	1.28	7/8/1999	1.50	0.23	1.60	0.33	0.75	-0.53
6/13/2000	1.98	7/10/2000	2.60	0.63	2.60	0.63	1.98	0.00
6/13/2001	1.45	7/9/2001	1.70	0.25	1.70	0.25	0.48	-0.98
6/13/2002	1.95	7/8/2002	2.40	0.45	2.40	0.45	1.58	-0.38
6/12/2003	1.40	7/8/2003	0.83	-0.58	1.48	0.08	0.83	-0.58
6/14/2004	0.75	7/8/2004	1.95	1.20	1.95	1.20	-0.33	-1.08
6/13/2005	2.43	7/8/2005	3.80	1.38	3.80	1.38	2.15	-0.28
6/13/2006	-10.78	7/10/2006	-7.45	3.33	-7.45	3.33	-10.98	-0.20
# Observations		15	Total P&L		11.05	Worst P&L		-0.58
# Up		14	Average P&L		0.74	Average Draw		-0.37
# Down		1	Average Gain		0.83	Worst Draw		-1.08
		93%	Average Loss		-0.58	Worst Draw on Gain		-1.08

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# JUNE REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed May 1st	11,170	10,951	10,530	10,360	10,641	
During May						
Placed on Feed	2,367	1,990	2,297	2,367	2,223	
Fed Cattle Marketed	2,196	1,864	2,228	2,023	1,997	
Other Disappearance	101	66	65	79	96	
Cattle on Feed June 1st	9,449	10,534	10,625	10,771	11,187	

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

## QUARTERLY HOGS AND PIGS

	2002	2003	2004	2005	2006	2007
All Hogs & Pigs	60,391	59,602	60,698	60,732	61,687	
Kept For Breeding	6,208	6,026	5,937	5,977	6,060	
For Market	54,183	53,576	54,760	54,754	55,627	
Mar-May						
Farrowed	2,941	2,886	2,870	2,882	2,916	
Pigs per Liter	8.84	8.88	8.93	9.02	9.08	
Pig Crop	26,001	25,629	25,633	25,986	26,480	
By Weigh Group	2002	2003	2004	2005	2006	2007
Under 60 Lbs	20,226	20,433	20,292	20,423	20,808	
60 - 199 Lbs	13,539	12,952	13,500	13,376	13,692	
120 - 179 Lbs	10,906	10,828	11,256	11,143	11,485	
180+ Lbs	9,512	9,363	9,714	9,813	9,643	

# SEASONAL STRATEGY

- Buy August Feeder Cattle on roughly the 10<sup>th</sup> to last trading day of June, Exit on roughly the 4<sup>th</sup> trading day of August.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
06/19/06	111.28	08/04/06	115.45	4.17	\$2,087.50	116.40	06/27/06	109.90	07/05/06
06/17/05	105.15	08/04/05	107.25	2.10	\$1,050.00	109.80	07/08/05	102.95	07/15/05
06/17/04	106.42	08/05/04	111.95	5.53	\$2,762.50	114.45	07/27/04	104.65	07/01/04
06/17/03	84.75	08/06/03	90.25	5.50	\$2,750.00	91.15	08/05/03	84.20	06/19/03
06/17/02	77.25	08/06/02	77.47	0.22	\$110.00	79.15	07/12/02	75.35	08/01/02
06/18/01	90.55	08/06/01	89.17	-1.38	(\$690.00)	92.10	06/25/01	89.07	08/03/01
06/19/00	86.87	08/04/00	87.37	0.50	\$250.00	88.90	07/17/00	85.87	08/03/00
06/17/99	76.95	08/05/99	77.00	0.05	\$25.00	78.60	07/28/99	74.97	07/01/99
06/17/98	73.70	08/06/98	69.30	-4.40	(\$2,200.00)	74.40	07/29/98	65.77	08/03/98
06/17/97	78.35	08/06/97	80.85	2.50	\$1,250.00	82.95	07/23/97	77.00	06/20/97
06/17/96	60.95	08/06/96	64.70	3.75	\$1,875.00	64.75	08/06/96	58.92	06/25/96
06/19/95	63.60	08/04/95	67.15	3.55	\$1,775.00	67.20	08/04/95	63.10	06/27/95
06/17/94	72.07	08/04/94	79.57	7.50	\$3,750.00	79.62	08/04/94	71.80	06/27/94
06/17/93	85.82	08/05/93	86.62	0.80	\$400.00	87.10	07/01/93	83.50	07/19/93
06/17/92	76.12	08/06/92	83.70	7.58	\$3,790.00	83.75	08/06/92	75.85	07/17/92
06/17/91	87.20	08/06/91	83.67	-3.53	(\$1,765.00)	88.30	07/09/91	83.60	08/02/91
06/18/90	84.00	08/06/90	86.02	2.02	\$1,010.00	87.82	07/31/90	81.75	07/03/90
06/19/89	81.15	08/04/89	83.92	2.77	\$1,385.00	83.95	08/04/89	78.50	07/05/89
06/17/88	72.25	08/04/88	79.72	7.47	\$3,735.00	80.20	07/28/88	70.75	06/20/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	46.70	\$ 18,985.00	Maximum Draw	-7.93	(\$3,965.00)
# Win	16	Average P&L	2.46	\$ 1,265.67	Average Draw	-1.94	(\$897.67)
# Loss	3	Average Win	3.50	\$ 1,682.69			
% Win	84%	Average Loss	-3.10	\$ (1,445.00)	Worst Draw on Win	-2.65	(\$1,160.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# SEASONAL STRATEGY

- Buy October Live Cattle on roughly the 8<sup>th</sup> to last trading day of June, Exit on roughly the 7<sup>th</sup> to last trading day of July.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
06/21/06	86.75	07/21/06	88.22	1.47	\$590.00	91.17	07/06/06	86.05	06/23/06
06/21/05	82.28	07/21/05	81.47	-0.80	(\$320.00)	84.05	07/06/05	80.50	07/18/05
06/21/04	87.35	07/22/04	90.12	2.78	\$1,110.00	90.12	07/22/04	84.65	07/16/04
06/19/03	68.45	07/23/03	76.42	7.97	\$3,190.00	76.58	07/23/03	68.22	07/16/03
06/19/02	65.37	07/23/02	66.92	1.55	\$622.00	68.70	07/22/02	64.27	06/24/02
06/20/01	75.07	07/23/01	75.42	0.35	\$140.00	76.20	06/28/01	74.25	07/11/01
06/21/00	69.12	07/21/00	69.62	0.50	\$200.00	70.45	07/18/00	68.45	06/29/00
06/21/99	64.72	07/22/99	65.02	0.30	\$120.00	65.20	07/22/99	62.95	07/01/99
06/19/98	64.35	07/23/98	61.95	-2.40	(\$960.00)	65.20	06/24/98	61.40	07/23/98
06/19/97	66.63	07/23/97	69.60	2.97	\$1,188.00	69.70	07/16/97	66.22	06/23/97
06/19/96	66.40	07/23/96	68.80	2.40	\$960.00	70.02	07/15/96	65.80	06/21/96
06/21/95	61.75	07/21/95	64.77	3.02	\$1,208.00	65.20	07/11/95	61.55	06/22/95
06/21/94	67.62	07/21/94	71.88	4.26	\$1,704.00	72.47	07/18/94	66.12	06/28/94
06/21/93	74.67	07/22/93	73.38	-1.29	(\$516.00)	75.70	07/08/93	72.47	07/16/93
06/19/92	71.60	07/23/92	72.70	1.10	\$440.00	73.75	07/16/92	70.65	07/16/92
06/19/91	74.38	07/23/91	74.92	0.54	\$216.00	75.77	07/09/91	73.82	06/21/91
06/20/90	75.60	07/23/90	77.02	1.42	\$568.00	77.55	07/20/90	74.75	06/22/90
06/21/89	72.77	07/21/89	75.52	2.75	\$1,100.00	75.67	07/20/89	72.12	07/03/89
06/21/88	64.65	07/21/88	67.95	3.30	\$1,320.00	68.47	07/18/88	62.42	06/23/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	32.19	\$ 9,676.00	Maximum Draw	-2.95	(\$1,180.00)
# Win	16	Average P&L	1.69	\$ 645.07	Average Draw	-1.20	(\$495.50)
# Loss	3	Average Win	2.29	\$ 956.00			
% Win	84%	Average Loss	-1.50	\$ (598.67)	Worst Draw on Win	-2.70	(\$1,078.06)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# JULY 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
2	3	4 JULY 4TH HOLIDAY	5	6	7/8	27
9	10	11	12	13	14/15	28
16	17	18	19	20 CATTLE ON FEED CATTLE COLD STORAGE	21/22	29
23	24	25	26	27	28/29	30
30	31					31

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED 2. COLD STORAGE 3. CATTLE	1. STRONGEST MONTH ON RECORD FOR LIVE CATTLE 2. STRONGEST MONTH ON RECORD FOR FEEDER CATTLE 3. HOG RALLIES IN JULY REVERSED IN AUGUST

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#27	WEEK#28	WEEK#29	WEEK#30	WEEK#31
<b>AUGUST LIVE CATTLE</b>					
#UP	12	14	10	11	7
#DOWN	7	5	9	8	12
TOTAL CHANGE	2.72	11.23	2.10	8.05	-2.53
AVG CHANGE	0.14	0.59	0.11	0.42	-0.13
<b>AUGUST FEEDER CATTLE</b>					
#UP	15	12	10	10	11
#DOWN	4	7	9	9	8
TOTAL CHANGE	12.87	11.92	4.01	-1.66	4.95
AVG CHANGE	0.68	0.63	0.21	-0.09	0.26
<b>AUGUST LEAN HOGS</b>					
#UP	9	6	8	15	10
#DOWN	10	12	11	4	9
TOTAL CHANGE	2.48	-11.35	-7.73	14.71	5.65
AVG CHANGE	0.13	-0.60	-0.41	0.77	0.30



# JULY MONTHLY SPREAD TRADING OPPORTUNITY

Low slaughter rates and increasing demand from backyard barbeques tends to support the support prices of near term contracts relative to back month futures. Hog producers who had early farrowings tend to be very savvy in marketing, only marketing lighter weight animals if prices are advantageous.

- Long August Lean Hogs, Short October Lean Hogs: Enter on roughly the 2<sup>nd</sup> trading day of July, Exit on roughly the last trading day of July

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
7/2/1992	4.95	7/31/1992	5.15	0.20	5.15	0.20	4.15	-0.80
7/2/1993	4.50	7/30/1993	3.20	-1.30	4.50	0.00	2.73	-1.78
7/5/1994	2.90	7/29/1994	4.05	1.15	4.48	1.58	2.60	-0.30
7/5/1995	3.48	7/31/1995	4.03	0.55	4.78	1.30	3.43	-0.05
7/2/1996	3.18	7/31/1996	5.10	1.93	6.15	2.98	2.83	-0.35
7/2/1997	7.55	7/31/1997	6.78	-0.78	7.95	0.40	6.38	-1.18
7/2/1998	4.70	7/31/1998	6.53	1.83	6.53	1.83	4.08	-0.63
7/2/1999	2.40	7/30/1999	4.93	2.53	6.53	4.13	1.98	-0.43
7/5/2000	9.60	7/31/2000	9.80	0.20	10.70	1.10	8.13	-1.48
7/3/2001	9.25	7/31/2001	10.55	1.30	10.78	1.53	8.95	-0.30
7/2/2002	8.00	7/31/2002	10.08	2.08	10.08	2.08	7.53	-0.48
7/2/2003	7.13	7/30/2003	7.38	0.25	7.78	0.65	5.33	-1.80
7/2/2004	9.78	7/30/2004	8.53	-1.25	10.10	0.33	7.53	-2.25
7/5/2005	8.25	7/29/2005	10.35	2.10	10.88	2.63	7.13	-1.13
7/5/2006	8.83	7/31/2006	6.80	-2.03	8.83	0.00	6.80	-2.03
# Observations		15	Total P&L		8.75	Worst P&L		-2.03
# Up		11	Average P&L		0.58	Average Draw		-1.00
# Down		4	Average Gain		1.28	Worst Draw		-2.25
% Up		73%	Average Loss		-1.34	Worst Draw on Gain		-1.80

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# JULY REPORT OVERVIEW

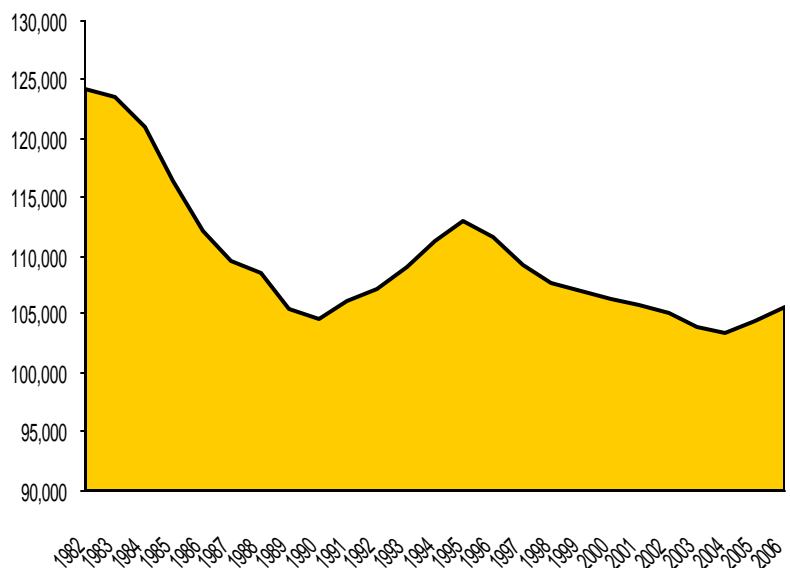
## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
<b>Cattle On Feed June 1st During June</b>	<b>11,245</b>	<b>9,449</b>	<b>10,534</b>	<b>10,625</b>	<b>10,771</b>	
<b>Placed on Feed</b>	<b>1,965</b>	<b>1,422</b>	<b>1,682</b>	<b>1,639</b>	<b>1,769</b>	
<b>Fed Cattle Marketed</b>	<b>2,122</b>	<b>1,773</b>	<b>2,222</b>	<b>2,077</b>	<b>2,083</b>	
<b>Other Disappearance</b>	<b>77</b>	<b>42</b>	<b>61</b>	<b>70</b>	<b>63</b>	
<b>Cattle on Feed July 1st</b>	<b>9,056</b>	<b>9,923</b>	<b>10,117</b>	<b>10,394</b>	<b>10,872</b>	

## Placed on Feed in Dec By Weight Group

	2002	2003	2004	2005	2006	2007
<b>&lt;600</b>	<b>381</b>	<b>433</b>	<b>367</b>	<b>380</b>	<b>530</b>	
<b>600-699</b>	<b>614</b>	<b>587</b>	<b>466</b>	<b>458</b>	<b>447</b>	
<b>700-799</b>	<b>734</b>	<b>706</b>	<b>576</b>	<b>631</b>	<b>702</b>	
<b>800 Plus</b>	<b>437</b>	<b>409</b>	<b>342</b>	<b>419</b>	<b>520</b>	
<b>Total</b>	<b>2,166</b>	<b>2,135</b>	<b>1,751</b>	<b>1,888</b>	<b>2,199</b>	

Year	Calf Crop
1999	107,000
2000	106,300
2001	105,800
2002	105,100
2003	103,900
2004	103,400
2005	104,500
2006	105,700



July through December Calf Crop numbers in 1,000 head

# SEASONAL STRATEGY

- Buy August Lean Hogs on roughly the 6<sup>th</sup> trading day of July, Exit on roughly the 2<sup>nd</sup> to last trading day of July.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
07/11/06	67.85	07/28/06	68.65	0.80	\$320.00	69.40	07/13/06	66.40	07/24/06
07/11/05	65.70	07/28/05	67.28	1.58	\$630.00	68.67	07/21/05	64.85	07/15/05
07/09/04	76.20	07/29/04	78.17	1.97	\$790.00	78.35	07/29/04	73.25	07/19/04
07/09/03	65.12	07/30/03	58.70	-6.42	(\$2,570.00)	65.80	07/10/03	56.50	07/24/03
07/09/02	49.57	07/30/02	51.55	1.98	\$792.00	52.60	07/15/02	48.98	07/22/02
07/10/01	68.12	07/30/01	70.35	2.23	\$892.00	70.60	07/30/01	66.95	07/24/01
07/11/00	67.75	07/28/00	67.82	0.07	\$28.00	69.50	07/28/00	64.50	07/19/00
07/09/99	46.12	07/29/99	47.60	1.48	\$592.00	49.80	07/28/99	44.08	07/20/99
07/09/98	53.23	07/30/98	49.05	-4.18	(\$1,672.00)	54.45	07/29/98	47.60	07/23/98
07/09/97	80.65	07/30/97	81.35	0.70	\$280.00	82.55	07/29/97	79.60	07/23/97
07/09/96	55.70	07/30/96	59.58	3.88	\$1,552.00	60.48	07/26/96	55.20	07/10/96
07/11/95	45.65	07/28/95	48.78	3.13	\$1,252.00	48.90	07/28/95	45.05	07/13/95
07/11/94	44.53	07/28/94	45.95	1.42	\$568.00	46.40	07/26/94	43.55	07/13/94
07/09/93	47.23	07/29/93	49.00	1.77	\$708.00	49.08	07/29/93	46.28	07/15/93
07/09/92	43.33	07/30/92	43.15	-0.18	(\$72.00)	44.60	07/20/92	42.15	07/28/92
07/09/91	49.08	07/30/91	53.75	4.67	\$1,868.00	53.80	07/30/91	48.55	07/10/91
07/10/90	58.15	07/30/90	60.50	2.35	\$940.00	61.00	07/18/90	57.20	07/11/90
07/11/89	44.00	07/28/89	46.05	2.05	\$820.00	46.55	07/28/89	43.67	07/12/89
07/11/88	43.05	07/28/88	43.88	0.83	\$332.00	46.30	07/25/88	41.90	07/14/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	20.13	\$ 4,090.00	Maximum Draw	-8.62	(\$3,450.69)
# Win	16	Average P&L	1.06	\$ 272.67	Average Draw	-1.83	(\$848.57)
# Loss	3	Average Win	1.93	\$ 700.33			
% Win	84%	Average Loss	-3.59	\$ (1,438.00)	Worst Draw on Win	-3.25	(\$1,300.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# AUGUST 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
		1	2	3	4/5	31
6	7	8	9	10	11/12	32
13	14	15	16	17 CATTLE ON FEED	18/19	33
20	21	22 COLD STORAGE	23	24	25/26	34
27	28	29	30	31	1/2	35

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. WORST MONTH ON RECORD FOR LEAN HOGS 2. FEEDER WEAKNESS IN AUGUST REVERSED IN SEPTEMBER 3. AUGUST WEAKNESS IN HOGS REVERSED IN SEPTEMBER

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#31	WEEK#32	WEEK#33	WEEK#34	WEEK#35
OCTOBER LIVE CATTLE					
#UP	8	15	8	6	10
#DOWN	11	4	11	13	8
TOTAL CHANGE	2.25	12.18	0.85	-8.38	0.46
AVG CHANGE	0.12	0.64	0.04	-0.44	0.02
SEPTEMBER FEEDER CATTLE					
#UP	9	15	9	6	10
#DOWN	10	4	10	13	9
TOTAL CHANGE	2.62	17.18	1.10	-3.05	-2.40
AVG CHANGE	0.14	0.90	0.06	-0.16	-0.13
OCTOBER LEAN HOGS					
#UP	10	11	5	8	6
#DOWN	9	8	14	10	13
TOTAL CHANGE	5.98	4.50	-11.43	-3.90	-5.79
AVG CHANGE	0.31	0.24	-0.60	-0.21	-0.31

# AUGUST REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed July 1st	11,011	9,056	9,923	10,117	10,394	
During July						
Placed on Feed	1,986	1,619	1,992	1,720	1,678	
Fed Cattle Marketed	2,047	1,889	2,270	1,926	1,918	
Other Disappearance	59	36	60	58	61	
Cattle on Feed August 1st	8,750	9,585	9,853	10,093	10,822	

## Placed on Feed By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# SEASONAL STRATEGY

- Buy October Feeder Cattle on roughly the 3<sup>rd</sup> to last trading day of August, Exit on roughly the 10<sup>th</sup> to last trading day of September.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
08/29/06	117.45	09/18/06	116.17	-1.28	(\$637.50)	119.25	09/07/06	114.75	09/15/06
08/29/05	110.62	09/19/05	113.45	2.83	\$1,412.50	114.65	09/12/05	107.75	09/01/05
08/27/04	108.83	09/17/04	111.90	3.08	\$1,537.50	112.88	09/16/04	106.15	09/03/04
08/27/03	94.25	09/17/03	97.52	3.27	\$1,635.00	98.30	09/16/03	93.00	09/04/03
08/28/02	79.12	09/17/02	81.25	2.12	\$1,062.50	81.70	09/17/02	78.10	09/05/02
08/29/01	89.45	09/17/01	89.80	0.35	\$175.00	91.30	09/05/01	88.55	09/06/01
08/29/00	84.82	09/18/00	85.82	1.00	\$500.00	85.95	09/18/00	84.10	09/06/00
08/27/99	78.92	09/17/99	79.77	0.85	\$425.00	80.92	09/13/99	78.57	08/31/99
08/27/98	68.12	09/17/98	70.45	2.33	\$1,165.00	70.55	09/16/98	65.50	09/03/98
08/27/97	79.25	09/17/97	80.90	1.65	\$825.00	81.65	09/16/97	78.35	09/03/97
08/28/96	63.13	09/17/96	64.92	1.79	\$895.00	65.52	09/16/96	62.50	09/04/96
08/29/95	63.62	09/18/95	64.05	0.43	\$215.00	65.97	09/11/95	63.30	08/30/95
08/29/94	74.02	09/19/94	71.67	-2.35	(\$1,175.00)	75.80	09/01/94	71.60	09/19/94
08/27/93	86.05	09/17/93	86.07	0.02	\$10.00	87.75	09/07/93	85.45	09/17/93
08/27/92	82.85	09/17/92	83.65	0.80	\$400.00	84.25	09/08/92	82.00	08/28/92
08/28/91	83.15	09/17/91	83.90	0.75	\$375.00	84.50	09/06/91	82.10	09/04/91
08/29/90	84.75	09/17/90	87.97	3.22	\$1,610.00	88.15	09/17/90	84.20	09/05/90
08/29/89	82.02	09/18/89	83.00	0.98	\$490.00	83.45	09/15/89	80.90	09/05/89
08/29/88	82.65	09/19/88	79.97	-2.68	(\$1,340.00)	82.85	09/16/88	78.80	09/13/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	19.16	\$ 8,445.00	Maximum Draw	-3.85	(\$1,432.46)
# Win	16	Average P&L	1.01	\$ 563.00	Average Draw	-1.44	(\$693.75)
# Loss	3	Average Win	1.59	\$ 789.04			
% Win	84%	Average Loss	-2.10	\$ (906.25)	Worst Draw on Win	-2.87	(\$1,432.46)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# AUGUST MONTHLY SPREAD TRADING OPPORTUNITY

Strong demand has traditionally fueled bull spreads in the Live Cattle market during the later part of summer (long nearby and short deferred contracts). Low placements and low numbers of Cattle on Feed have supported bull spreads as well.

- Long December Live Cattle, Short June Live Cattle: Enter on roughly the last trading day of August, Exit on roughly the 9<sup>th</sup> trading day of September

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
8/31/1992	2.90	9/14/1992	3.08	0.18	3.53	0.63	2.90	0.00
8/31/1993	2.08	9/14/1993	2.18	0.10	2.45	0.38	2.05	-0.02
8/31/1994	2.03	9/14/1994	2.85	0.83	2.98	0.95	2.03	0.00
8/31/1995	3.85	9/14/1995	4.45	0.60	4.65	0.80	3.85	0.00
8/30/1996	3.13	9/13/1996	3.90	0.78	3.90	0.78	2.63	-0.50
8/29/1997	-1.65	9/12/1997	-1.30	0.35	-1.20	0.45	-1.75	-0.10
8/31/1998	-1.30	9/14/1998	1.20	2.50	1.38	2.68	-1.33	-0.03
8/31/1999	0.60	9/14/1999	1.43	0.83	1.43	0.83	0.10	-0.50
8/31/2000	-1.40	9/14/2000	-0.63	0.78	-0.63	0.78	-1.60	-0.20
8/31/2001	0.28	9/18/2001	0.18	-0.10	0.60	0.33	0.05	-0.23
8/30/2002	2.43	9/13/2002	3.25	0.83	3.30	0.88	2.43	0.00
8/29/2003	8.40	9/12/2003	10.80	2.40	10.85	2.45	8.40	0.00
8/31/2004	4.80	9/14/2004	5.63	0.82	5.63	0.82	4.38	-0.43
8/31/2005	4.15	9/14/2005	5.10	0.95	5.13	0.98	3.50	-0.65
8/31/2006	24.50	9/14/2006	22.35	-2.15	25.70	1.20	22.35	-2.15
# Observations	15	Total P&L	9.68	Worst P&L	-2.15			
# Up	13	Average P&L	0.65	Average Draw	-0.32			
# Down	2	Average Gain	0.92	Worst Draw	-2.15			
% Up	87%	Average Loss	-1.13	Worst Draw on Gain	-0.65			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# SEPTEMBER 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
<b>3</b> LABOR DAY HOLIDAY	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	8/9	<b>36</b>
<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	15/16	<b>37</b>
<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b> CATTLE ON FEED COLD STORAGE	22/23	<b>38</b>
<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b> HOGS & PIGS	29/30	<b>39</b>

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE  3. HOGS & PIGS	1. BEST MONTH ON RECORD FOR LEAN HOGS 2. FEEDERS STRONG FIRST HALF OF SEPTEMBER 3. LIVE CATTLE SEPTEMBER RALLIES CONTINUE IN OCTOBER 4.

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#36	WEEK#37	WEEK#38	WEEK#39
<b>OCTOBER LIVE CATTLE</b>				
#UP	10	11	11	8
#DOWN	9	8	7	11
TOTAL CHANGE	7.50	8.05	-0.92	-1.38
AVG CHANGE	0.39	0.42	-0.05	-0.07
<b>OCTOBER FEEDER CATTLE</b>				
#UP	13	11	10	7
#DOWN	6	8	9	12
TOTAL CHANGE	5.63	5.34	2.44	-3.10
AVG CHANGE	0.30	0.28	0.13	-0.16
<b>OCTOBER LEAN HOGS</b>				
#UP	12	13	13	13
#DOWN	7	6	6	6
TOTAL CHANGE	3.98	12.19	10.28	14.91
AVG CHANGE	0.21	0.64	0.54	0.78



# SEPTEMBER REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed August 1st	10,891	8,750	9,585	9,853	10,093	
During August						
Placed on Feed	2,204	1,936	2,374	2,099	1,993	
Fed Cattle Marketed	2,186	2,135	2,075	1,923	2,033	
Other Disappearance	54	43	60	56	53	
Cattle on Feed Sep 1st	8,845	9,829	9,973	10,000	10,986	

## Placed on Feed By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

## QUARTERLY HOGS AND PIGS

	2002	2003	2004	2005	2006	2007
All Hogs & Pigs	60,753	61,009	61,519	61,846	62,814	
Kept For Breeding	6,051	5,938	5,962	5,972	6,079	
For Market	54,702	55,071	55,556	55,873	56,735	
Jun-Aug						
Farrowed	2,883	2,918	2,905	2,918	2,924	
Pigs per Liter	8.92	8.90	9.01	9.06	9.14	
Pig Crop	25,725	25,974	26,162	26,449	26,731	
By Weigh Group	2002	2003	2004	2005	2006	2007
Under 60 Lbs	20,038	20,438	20,729	20,764	20,998	
60 - 199 Lbs	13,632	13,739	13,613	13,876	13,991	
120 - 179 Lbs	11,113	11,384	11,235	11,404	11,585	
180+ Lbs	9,919	9,510	9,981	9,830	10,162	

# SEPTEMBER MONTHLY SPREAD TRADING OPPORTUNITY

Winter tends to be a very bullish time of year for Cattle, as slaughter rates slow and demand tends to pick up. Often the December contract tends to experience holes in available supply, and as such tends to gain on the deferred, summer slaughter months.

- Long December Live Cattle, Short June Live Cattle: Enter on roughly the first trading day of September, Exit on roughly the 1<sup>st</sup> trading day of October

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
9/1/1992	-0.98	10/1/1992	-0.90	0.08	-0.38	0.60	-1.45	-0.48
9/1/1993	0.58	10/1/1993	-0.28	-0.85	1.40	0.83	-0.38	-0.95
9/1/1994	-0.93	10/3/1994	-0.10	0.83	0.03	0.95	-1.25	-0.33
9/1/1995	-0.03	10/2/1995	0.10	0.13	0.60	0.63	-0.25	-0.23
9/3/1996	-1.15	10/1/1996	0.55	1.70	0.80	1.95	-1.30	-0.15
9/2/1997	2.78	9/30/1997	4.38	1.60	4.43	1.65	2.78	0.00
9/1/1998	-0.28	10/1/1998	3.03	3.30	3.03	3.30	-0.45	-0.18
9/1/1999	2.95	10/1/1999	2.58	-0.38	2.95	0.00	0.85	-2.10
9/1/2000	2.70	10/2/2000	5.20	2.50	5.20	2.50	2.50	-0.20
9/4/2001	3.53	10/1/2001	3.78	0.25	4.83	1.30	3.53	0.00
9/3/2002	-4.28	10/1/2002	0.93	5.20	0.93	5.20	-4.28	0.00
9/2/2003	0.83	10/1/2003	0.85	0.03	2.38	1.55	0.58	-0.25
9/1/2004	4.53	10/1/2004	5.10	0.58	5.95	1.43	3.65	-0.88
9/1/2005	3.65	10/3/2005	5.55	1.90	5.88	2.23	3.50	-0.15
9/1/2006	6.45	10/2/2006	4.38	-2.08	6.45	0.00	3.48	-2.98
# Observations	15	Total P&L	14.78	Worst P&L	-2.08			
# Up	12	Average P&L	0.99	Average Draw	-0.59			
# Down	3	Average Gain	1.51	Worst Draw	-2.98			
% Up	80%	Average Loss	-1.10	Worst Draw on Gain	-0.88			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL POSITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# Limit Moves and Livestock Futures

A limit move is defined as the maximum advance or decline – from the previous days settlement price – permitted for a contract in one trading session by the rules of the exchange. It is an artificial circuit breaker put on trading, to avoid excess volatility.

The market technician and analyst, Robert Howe, observed in 1977 that *“a price at the limit of a tradable daily range, once reached, becomes an objective which the market will again test and ultimately exceed.”* In other words, Howe’s Limit Rule says that limit prices will be tested – possibly only briefly – and typically sooner rather than later.

Based on the strong historical tendency for limit moves to be exceeded within several days of their occurrence, the following trading rules were developed by Robert Howe and Moore Research Center ([www.mrci.com](http://www.mrci.com))

## **If a market trades limit up, shorter term traders should look to:**

1. Buy into any price retracements - intraday or in the immediately following trading days.
2. Traders already long may be encouraged to hold their positions or even add to them.
3. Prospective sellers should be discouraged from immediately establishing bearish positions until after the limit up price is exceeded – by at least 1 tick.

## **If a market trades limit down, shorter term traders should look to:**

1. Sell into any price increases - intraday or in the immediately following trading days.
2. Traders already short may be encouraged to hold their positions or even add to them.
3. Prospective buyers should be discouraged from immediately establishing bullish positions until after the limit down price is exceeded – by at least 1 tick.

In observing all the limit moves in the last five years, Howe’s Limit Rule has proved historically (hypothetically) to be extremely accurate. For example, of the 33 occurrences where prices traded to the limit up value in Live Cattle in the last decade – basis the closest to delivery contract not in its delivery month – all saw the limit price of that exceeded within 5 trading days and 25 of the 32 limit down prices were exceeded within 5 trading days.

Using these observations surrounding limit moves, traders should expect the market short term to move in the direction of the limit move. Corrections against this shorter-term trend should be minor until the limit price is exceeded - by at least 1 tick (0.025 cwt).

Limit moves tend to be the most powerful and most indicative of the long term trend in prices when they occur unexpectedly (*none news/report driven*) and in the opposite direction of the prevailing trend or following a period of non- volatile price congestion - *channel break-outs for the technically driven trader*.

Limit moves after a prolonged trend can sometimes be an indication of exhaustion with in the move. The violation of a limit price by a small amount, with in a prolonged trend, may foreshadow a failure within this price move indicating that a change in the longer term price direction is imminent. A limit move after a strong trend, which fails to be exceeded – *known as a “hanging limit”* – may also indicate that the trend is more apt to reverse (price exhaustion).

# OCTOBER 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
1	2	3	4	5	6/7	40
8	9	10	11	12	13/14	41
15	16	17	18	19 CATTLE ON FEED	20/21	42
22 COLD STORAGE	23	24	25	26	27/28	43
29	30	31				44

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. HOGS WEAK IN OCTOBER  2. SEPTEMBER WEAKNESS IN HOGS CONTINUES IN OCTOBER 3. CATTLE SEPTEMBER STRENGTH CONTINUES IN OCTOBER

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#40	WEEK#41	WEEK#42	WEEK#43	WEEK#44
DECEMBER LIVE CATTLE					
#UP	11	11	12	11	8
#DOWN	8	8	7	8	11
TOTAL CHANGE	7.42	4.20	4.51	-2.87	-7.80
AVG CHANGE	0.39	0.22	0.24	-0.15	-0.41
NOVEMBER FEEDER CATTLE					
#UP	11	6	11	8	10
#DOWN	8	13	8	11	9
TOTAL CHANGE	7.28	-4.18	0.52	-3.45	2.33
AVG CHANGE	0.38	-0.22	0.03	-0.18	0.12
DECEMBER LEAN HOGS					
#UP	11	8	9	5	9
#DOWN	8	11	10	14	10
TOTAL CHANGE	3.54	-3.79	-4.45	-14.13	5.14
AVG CHANGE	0.19	-0.20	-0.23	-0.74	0.27

# OCTOBER MONTHLY SPREAD TRADING OPPORTUNITY

October is traditionally the heaviest slaughter month of the year. The influx of Hogs being brought to slaughter tends to weigh on prices, as demand begins to fall. October tends to be a good month to establish bear spreads (long deferred contracts, short nearby futures).

- **Long July Lean Hogs, Short April Lean Hogs:** Enter on roughly the 6<sup>th</sup> trading day of October; exit on roughly the 2<sup>nd</sup> to last trading day of October

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
10/8/1992	4.53	10/29/1992	4.38	-0.15	4.65	0.13	3.93	-0.60
10/8/1993	3.10	10/28/1993	3.38	0.28	3.38	0.28	3.05	-0.05
9/9/1994	5.10	9/29/1994	5.08	-0.03	5.28	0.18	4.98	-0.13
10/9/1995	3.88	10/30/1995	4.43	0.55	5.00	1.13	3.88	0.00
10/8/1996	1.00	10/30/1996	2.45	1.45	3.25	2.25	1.00	0.00
10/8/1997	4.60	10/30/1997	5.83	1.23	6.13	1.53	4.33	-0.28
10/8/1998	7.93	10/29/1998	9.05	1.13	9.05	1.13	7.58	-0.35
10/8/1999	6.20	10/28/1999	7.18	0.98	7.18	0.98	5.85	-0.35
10/9/2000	4.70	10/30/2000	5.45	0.75	5.53	0.83	4.68	-0.03
10/8/2001	4.85	10/30/2001	7.13	2.28	7.73	2.88	4.85	0.00
10/8/2002	8.15	10/30/2002	6.48	-1.68	8.18	0.03	6.48	-1.68
10/8/2003	2.25	10/30/2003	2.35	0.10	2.50	0.25	0.25	-2.00
10/8/2004	0.08	10/28/2004	0.95	0.88	2.05	1.98	0.08	0.00
10/10/2005	-0.70	10/28/2005	0.58	1.28	1.05	1.75	-0.83	-0.13
10/6/2006	2.15	10/30/2006	2.50	0.35	3.50	1.35	1.98	-0.18
# Observations		15	Total P&L		9.38	Worst P&L		-1.68
# Up		12	Average P&L		0.63	Average Draw		-0.38
# Down		3	Average Gain		0.94	Worst Draw		-2.00
% Up		80%	Average Loss		-0.62	Worst Draw on Gain		-2.00

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# October Weakness and Feeders

In the later part of summer and fall, cow/calf operations rush to place their feeders before winter sets in. This placement rush tends to push Feeder Cattle prices lower after peaking in August. The deluge of supply tends to slow as October approaches, with the final placements.

Since 1988, January Feeder Cattle futures have declined in October 10 times. Following these weak Octobers, January Feeder have finished the month of November higher on a settlement basis 7 times, gaining an average of +0.775 cwt.

	September Close	October Close	October Change	November Close	November Change		November High	November Low
<b>2006</b>	112.28	113.88	1.60	116.90	3.03		117.90	112.60
<b>2005</b>	106.38	105.53	-0.85	103.95	-1.58	Down	105.85	99.40
<b>2004</b>	90.95	94.80	3.85	99.38	4.58		99.50	93.60
<b>2003</b>	79.23	81.83	2.60	84.65	2.83		85.23	81.75
<b>2002</b>	85.13	84.50	-0.63	84.53	0.03	Down	85.60	78.15
<b>2001</b>	88.23	89.38	1.15	88.88	-0.50		89.85	87.70
<b>2000</b>	82.48	82.38	-0.10	85.10	2.72	Down	85.85	81.70
<b>1999</b>	70.50	74.35	3.85	70.50	-3.85		74.80	69.28
<b>1998</b>	79.68	78.40	-1.27	79.93	1.52	Down	80.75	77.70
<b>1997</b>	65.65	65.10	-0.55	66.15	1.05	Down	69.10	64.73
<b>1996</b>	63.90	64.63	0.73	64.43	-0.20		65.25	63.80
<b>1995</b>	72.70	75.43	2.72	72.83	-2.60		75.60	72.15
<b>1994</b>	84.58	84.65	0.08	81.28	-3.38		84.85	81.00
<b>1993</b>	81.55	80.85	-0.70	83.90	3.05	Down	84.15	80.60
<b>1992</b>	85.58	83.93	-1.65	82.40	-1.52	Down	84.45	81.25
<b>1991</b>	84.85	85.95	1.10	87.60	1.65		88.25	85.13
<b>1990</b>	82.48	82.13	-0.35	82.63	0.50	Down	83.70	81.53
<b>1989</b>	84.03	82.95	-1.08	82.43	-0.53	Down	83.83	81.25
<b>1988</b>	78.45	72.15	-6.30	74.75	2.60	Down	76.40	70.15

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com)

Past performance is not necessarily indicative of future results.

This cycle makes sense from the standpoint of placements. Many cow/calf operations are either not equipped or prepared to winter feed their livestock, hence they must place their cattle before winter sets in, and pasture conditions will sustain their herd. During this placement rush, feedlots have the upper hand, knowing that cow/calf operations are under the gun to place, and therefore they do not bid as aggressively for the feeders. However, by the end of October, the cow/calf operations, which have not yet placed their cattle, may be holding out for higher prices. They will either fatten the cattle themselves, or winter graze the animals. Thus the supply of feeders tends to dry up, limiting the supply and forcing feedlots who want to expand their runs to bid aggressively for them. Thus, Feeder Cattle prices have often rallied into New Year on this game of "chicken."

Using this historical anomaly as a guide, participants in the Feeder market should be on the look-out for at least temporary low in November in Bear markets and a gain in November in Bull markets.

# OCTOBER REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Sep 1st	10,855	8,845	9,829	9,973	10,000	
During Sep						
Placed on Feed	2,136	2,188	2,474	2,385	2,355	
Fed Cattle Marketed	1,820	1,848	2,032	1,800	1,816	
Other Disappearance	40	53	63	61	57	
Cattle on Feed Oct 1st	9,088	10,213	10,497	10,482	11,385	

## Placed on Feed By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# SEASONAL STRATEGY

- Sell December Lean Hogs on roughly the 9<sup>th</sup> trading day of October, Exit on roughly the 3<sup>rd</sup> to last trading day of October.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
10/12/06	61.00	10/27/06	64.60	-3.60	(\$1,440.00)	64.95	10/27/06	58.35	10/19/06
10/13/05	62.52	10/27/05	59.45	3.07	\$1,230.00	62.77	10/27/05	59.27	10/27/05
10/13/04	64.67	10/27/04	65.85	-1.17	(\$470.00)	68.47	10/18/04	63.50	10/27/04
10/13/03	60.30	10/29/03	52.65	7.65	\$3,060.00	61.02	10/15/03	51.15	10/28/03
10/11/02	40.25	10/29/02	40.10	0.15	\$60.00	43.10	10/15/02	39.40	10/14/02
10/11/01	51.92	10/29/01	49.65	2.27	\$908.00	52.30	10/15/01	46.70	10/25/01
10/12/00	54.82	10/27/00	51.07	3.75	\$1,500.00	55.17	10/13/00	51.02	10/27/00
10/13/99	47.58	10/27/99	46.40	1.18	\$472.00	49.70	10/25/99	45.98	10/14/99
10/13/98	43.73	10/28/98	38.95	4.78	\$1,912.00	44.60	10/14/98	38.83	10/28/98
10/13/97	62.20	10/29/97	61.65	0.55	\$220.00	63.45	10/27/97	60.03	10/20/97
10/11/96	55.40	10/29/96	54.05	1.35	\$540.00	56.60	10/25/96	51.50	10/23/96
10/12/95	45.58	10/27/95	44.55	1.03	\$412.00	46.65	10/25/95	44.20	10/26/95
10/13/94	34.95	10/27/94	34.75	0.20	\$80.00	35.10	10/25/94	32.80	10/21/94
10/13/93	50.38	10/27/93	48.10	2.28	\$912.00	51.20	10/25/93	47.83	10/26/93
10/13/92	44.35	10/28/92	42.53	1.82	\$728.00	44.95	10/26/92	42.50	10/28/92
10/11/91	43.83	10/29/91	41.70	2.13	\$852.00	44.28	10/16/91	41.50	10/29/91
10/11/90	54.10	10/29/90	51.45	2.65	\$1,060.00	55.88	10/15/90	51.45	10/29/90
10/12/89	46.58	10/27/89	46.17	0.41	\$164.00	47.90	10/23/89	45.15	10/16/89
10/13/88	42.58	10/27/88	41.12	1.46	\$584.00	43.60	10/17/88	41.00	10/27/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	31.96	\$ 10,124.00	Maximum Draw	-3.95	(\$1,580.00)
# Win	16	Average P&L	1.68	\$ 674.93	Average Draw	-1.31	(\$543.91)
# Loss	3	Average Win	2.16	\$ 925.69			
% Win	84%	Average Loss	-2.39	\$ (955.00)	Worst Draw on Win	-2.85	(\$1,140.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.



# NOVEMBER 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
			1	2	3/4	44
5	6	7	8	9	10/11	45
12	13	14	15	16 CATTLE ON FEED	17/18	46
19	20	21 COLD STORAGE	22 THANKSGIVING HOLIDAY	23	24/25	47
26	27	28	29	30	1/2	48

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE	1. LIVE CATTLE BULLISH FOLLOWING OCTOBER OR NOVEMBER STRENGTH 2. FEEDER WEAKNESS IN OCTOBER REVERSED IN NOVEMBER

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#45	WEEK#46	WEEK#47	WEEK#48
DECEMBER LIVE CATTLE				
#UP	12	15	10	9
#DOWN	7	4	9	10
TOTAL CHANGE	2.23	10.42	2.00	8.88
AVG CHANGE	0.12	0.55	0.11	0.47
JANUARY FEEDER CATTLE				
#UP	11	11	12	11
#DOWN	7	8	7	8
TOTAL CHANGE	0.02	7.27	1.53	1.54
AVG CHANGE	0.00	0.38	0.08	0.08
DECEMBER LEAN HOGS				
#UP	10	11	10	11
#DOWN	9	8	9	8
TOTAL CHANGE	-1.52	4.30	2.55	2.98
AVG CHANGE	-0.08	0.23	0.13	0.16

# NOVEMBER MONTHLY SPREAD TRADING OPPORTUNITY

The fourth quarter tends to see the heaviest slaughter rate of the year. This influx of supply combined with weak demand near Thanksgiving, a traditional Turkey Holiday, tends to weigh on nearby contracts relative to deferred contracts in most years.

- Long April Lean Hogs, Short February Lean Hogs: Enter on roughly the 5<sup>th</sup> trading day of November, Exit on roughly the 5<sup>th</sup> trading day of January

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
11/7/1991	-2.08	1/7/1993	-0.55	1.53	-0.55	1.53	-2.65	-0.58
11/6/1992	-2.43	1/7/1994	1.78	4.20	1.90	4.33	-1.68	0.75
11/5/1993	-1.68	1/9/1995	1.33	3.00	1.65	3.33	-0.38	1.30
11/7/1994	0.38	1/8/1996	0.45	0.08	0.60	0.23	-0.75	-1.13
11/7/1995	-0.08	1/7/1997	-2.00	-1.93	-2.00	-1.93	-5.28	-5.20
11/7/1996	-4.98	1/7/1997	-2.00	2.98	-2.00	2.98	-5.28	-0.30
11/7/1996	-4.98	1/8/1998	-1.25	3.73	-0.58	4.40	-3.78	1.20
11/7/1997	-3.28	1/8/1999	4.15	7.43	7.18	10.45	2.40	5.68
11/6/1998	2.40	1/7/2000	2.08	-0.33	2.13	-0.28	-0.30	-2.70
11/5/1999	1.85	1/8/2001	1.55	-0.30	1.55	-0.30	-1.03	-2.88
11/7/2001	1.40	1/8/2002	4.95	3.55	4.95	3.55	1.40	0.00
11/7/2002	3.70	1/8/2003	6.30	2.60	6.45	2.75	3.08	-0.63
11/7/2003	1.58	1/8/2004	3.48	1.90	3.88	2.30	1.48	-0.10
11/5/2004	-3.70	1/7/2005	0.90	4.60	1.03	4.73	-3.70	0.00
11/1/2004	-2.55	1/7/2005	0.90	3.45	1.03	3.58	-4.80	-2.25
# Observations	15	Total P&L	36.48	Worst P&L	-1.93			
# Up	12	Average P&L	2.43	Average Draw	-0.46			
# Down	3	Average Gain	3.25	Worst Draw	-5.20			
% Up	80%	Average Loss	-0.85	Worst Draw on Gain	-2.25			

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL POSITION. IN DECIDING WHETHER TO TRADE, OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# NOVEMBER REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Oct 1st	11,125	9,088	10,213	10,497	10,482	
During Oct						
Placed on Feed	2,697	2,389	2,781	2,701	2,788	
Fed Cattle Marketed	1,891	1,979	1,855	1,798	1,739	
Other Disappearance	68	84	101	66	58	
Cattle on Feed Nov 1st	9,315	11,038	11,334	11,473	11,969	

## Placed on Feed By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

# DECEMBER 2007

MON	TUE	WED	THU	FRI	SAT/SUN	WEEK#
3	4	5	6	7	8/9	49
10	11	12	13	14	15/16	50
17	18	19	20	21 CATTLE ON FEED COLD STORAGE	22/23	51
24	25 CHRISTMAS HOLIDAY	26	27 HOGS & PIGS	28	29/30	52
31	1 NEW YEARS HOLIDAY	2	3	4	5/6	1

MAJOR REPORTS	IMPORTANT SEASONALITY
1. CATTLE ON FEED  2. COLD STORAGE  3. HOGS & PIGS	1. WEAKEST MONTH ON RECORD FOR FEEDER CATTLE 2. DECEMBER LIVE CATTLE WEAKNESS REVERSED IN JANUARY

## 19 YEAR WEEKLY PERFORMANCE

	WEEK#49	WEEK#50	WEEK#51	WEEK#52	WEEK#1
<b>FEBRUARY LIVE CATTLE</b>					
#UP	6	10	12	13	11
#DOWN	13	9	7	5	7
TOTAL CHANGE	-8.10	-1.90	6.15	10.16	-11.01
AVG CHANGE	-0.43	-0.10	0.32	0.53	-0.58
<b>JANUARY FEEDER CATTLE</b>					
#UP	8	11	9	13	10
#DOWN	10	8	10	6	9
TOTAL CHANGE	-3.99	-1.88	-0.43	4.20	-2.72
AVG CHANGE	-0.21	-0.10	-0.02	0.22	-0.14
<b>FEBRUARY LEAN HOGS</b>					
#UP	9	10	9	7	10
#DOWN	10	9	10	12	9
TOTAL CHANGE	-7.10	-10.40	3.50	-2.67	3.83
AVG CHANGE	-0.37	-0.55	0.18	-0.14	0.20

# THE NEW YEAR MEAT SUPPLY HOLE

The Cattle market tends to rally from the winter lows into the New Year. During the later part of winter and into early spring, the Cattle market deals with a hole in supply. The number of animals at slaughter weight tends to be extremely low, as fall placements are still on feed. Consumer demand tends to be brisk, especially at year-end as parties and restaurant demand associated with the holidays diminishes stocks. Also limiting supply in some years are transportation difficulties, caused by the freezing of inland waterways, severe snowstorms, and other adverse conditions.

Similar factors affect the Lean Hog market. Preparation for the spring farrowing season, strong demand during the holiday season, and low supplies of slaughter weight animals tends to see Pork prices gain in the early spring as well.

The table below shows the gains for the last 19 years from the December monthly lows to the 1<sup>st</sup> quarter highs (January through March). Obviously, it is impossible to position ones self at the monthly lows or highs, or even asses if the 1<sup>st</sup> quarter high will be in January, February or March. Though unrealistic, it is instructive to see just how much Cattle and Hog futures have rallied – *on average* - during this period.

Contract Yr	April Live Cattle				April Lean Hogs			
	Dec Low	Jan-Mar High	Change (CWT)	Change (%)	Dec Low	Jan-Mar High	Change (CWT)	Change (%)
2006	92.90	95.55	2.65	2.85	66.38	68.90	2.53	3.80
2005	68.60	83.40	14.80	21.57	53.55	68.15	14.60	27.26
2004	76.60	80.15	3.55	4.63	55.75	60.15	4.40	7.89
2003	70.03	76.53	6.50	9.28	55.10	62.80	7.70	13.97
2002	75.20	81.83	6.63	8.81	55.85	67.68	11.83	21.17
2001	69.90	73.50	3.60	5.15	55.25	64.50	9.25	16.74
2000	59.90	68.95	9.05	15.11	31.75	48.90	17.15	54.02
1999	68.20	69.70	1.50	2.20	56.18	59.40	3.23	5.74
1998	64.00	70.40	6.40	10.00	70.95	77.40	6.45	9.09
1997	66.08	67.00	0.92	1.40	64.78	69.93	5.15	7.95
1996	68.75	75.25	6.50	9.45	47.78	56.30	8.53	17.84
1995	74.53	77.38	2.85	3.82	62.05	70.15	8.10	13.05
1994	73.88	84.30	10.43	14.11	54.93	71.48	16.55	30.13
1993	70.45	79.73	9.27	13.17	50.33	57.98	7.65	15.20
1992	75.65	82.03	6.38	8.43	60.48	74.25	13.78	22.78
1991	73.65	78.35	4.70	6.38	58.98	73.38	14.40	24.42
1990	72.65	78.90	6.25	8.60	57.53	62.70	5.18	9.00
1989	61.50	75.70	14.20	23.09	50.20	63.98	13.78	27.44
1988	55.50	68.35	12.85	23.15	58.30	65.68	7.38	12.65

	April Live Cattle			April Lean Hogs	
	CWT	%		CWT	%
Average	6.79	10.06		9.35	17.90
Minimum	0.92	1.40		2.53	3.80
Maximum	14.80	23.15		17.15	54.02

Past performance is not necessarily indicative of future results. See Disclaimer on Page 1

Keep this in mind as low slaughter rates at year-end weigh on prices. A short-term bottom may be at hand! Of course, each year is different and past performance in no way guarantees future results, but this is definitely food for thought.

# DECEMBER REPORT OVERVIEW

## CATTLE ON FEED

	2002	2003	2004	2005	2006	2007
Cattle On Feed Nov 1st	11,863	9,315	11,038	11,334	11,473	
During Nov						
Placed on Feed	1,908	1,667	1,926	1,743	2,045	
Fed Cattle Marketed	1,800	1,731	1,537	1,635	1,701	
Other Disappearance	80	90	97	108	91	
Cattle on Feed Dec 1st	9,395	11,330	11,334	11,726	11,973	

## Placed on Feed By Weight Group

	2002	2003	2004	2005	2006	2007
<600	381	433	367	380	530	
600-699	614	587	466	458	447	
700-799	734	706	576	631	702	
800 Plus	437	409	342	419	520	
Total	2,166	2,135	1,751	1,888	2,199	

## QUARTERLY HOGS AND PIGS

	2002	2003	2004	2005	2006	2007
All Hogs & Pigs	59,554	60,444	60,975	61,449	62,149	
Kept For Breeding	6,058	6,009	5,969	6,011	6,088	
For Market	53,496	54,434	55,005	55,438	56,061	
Sep-Nov						
Farrowed	2,833	2,856	2,888	2,900	2,909	
Pigs per Liter	8.86	8.93	8.96	9.03	9.13	
Pig Crop	25,094	25,488	25,881	26,187	26,551	
By Weigh Group	2002	2003	2004	2005	2006	2007
Under 60 Lbs	19,485	19,778	19,980	20,055	20,334	
60 - 199 Lbs	13,033	13,238	13,439	13,524	13,603	
120 - 179 Lbs	10,875	11,109	11,186	11,293	11,544	
180+ Lbs	10,103	10,311	10,401	10,567	10,580	

# DECEMBER MONTHLY SPREAD TRADING OPPORTUNITY

The fourth quarter tends to see the heaviest slaughter rate of the year. This influx of supply combined with weak demand in the Holidays, which tend to favor beef roasts and turkeys over pork, tends to weigh on nearby contracts relative to deferred contracts in most years.

- Long April Lean Hogs, Short February Lean hogs: Enter on roughly the 4<sup>th</sup> trading day of December, Exit on roughly the 5<sup>th</sup> trading day of January

## Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
12/4/1992	-2.03	1/7/1993	-0.55	1.48	-0.55	1.48	-2.10	-0.08
12/6/1993	0.28	1/7/1994	1.78	1.50	1.90	1.63	0.20	-0.08
12/6/1994	0.98	1/9/1995	1.33	0.35	1.65	0.68	-0.38	-1.35
12/6/1995	-0.23	1/8/1996	0.45	0.68	0.45	0.68	-0.75	-0.53
12/5/1996	-5.13	1/7/1997	-2.00	3.13	-2.00	3.13	-5.13	0.00
12/5/1996	-5.13	1/7/1997	-2.00	3.13	-2.00	3.13	-5.13	0.00
12/4/1997	-3.18	1/8/1998	-1.25	1.93	-0.58	2.60	-3.50	-0.33
12/4/1998	4.10	1/8/1999	4.15	0.05	7.18	3.08	4.10	0.00
12/6/1999	0.55	1/7/2000	2.08	1.53	2.13	1.58	0.05	-0.50
12/6/2000	-0.60	1/8/2001	1.55	2.15	1.55	2.15	-0.70	-0.10
12/6/2001	4.33	1/8/2002	4.95	0.63	4.95	0.63	2.58	-1.75
12/5/2002	5.08	1/8/2003	6.30	1.23	6.45	1.38	5.08	0.00
12/4/2003	3.18	1/8/2004	3.48	0.30	3.78	0.60	1.48	-1.70
12/6/2004	-2.65	1/7/2005	0.90	3.55	1.03	3.68	-2.65	0.00
12/6/2005	2.75	1/9/2006	4.13	1.38	4.13	1.38	1.98	-0.78
# Observations		15	Total P&L		22.98	Worst P&L		0.05
# Up		15	Average P&L		1.53	Average Draw		-0.48
# Down		0	Average Gain		1.53	Worst Draw		-1.75
% Up		100%	Average Loss		#DIV/0!	Worst Draw on Gain		-1.75

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# SEASONAL STRATEGY

- Buy April Live Cattle on roughly the 3<sup>rd</sup> to last trading day of December, Exit on roughly the 11<sup>th</sup> trading day of January.

## HYPOTHETICAL PERFORMANCE RESULTS

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
12/28/05	94.80	01/18/06	94.50	-0.30	(\$120.00)	95.55	01/10/06	92.65	01/11/06
12/29/04	85.97	01/18/05	89.42	3.45	\$1,380.00	90.30	01/12/05	84.00	12/30/04
12/29/03	73.72	01/16/04	76.08	2.35	\$940.00	76.47	01/15/04	68.60	12/31/03
12/27/02	77.83	01/16/03	77.85	0.02	\$10.00	80.15	01/08/03	77.10	01/16/03
12/27/01	73.32	01/16/02	74.10	0.78	\$312.00	74.87	01/15/02	72.90	01/02/02
12/27/00	78.72	01/17/01	79.85	1.13	\$452.00	81.00	01/16/01	77.72	01/08/01
12/29/99	71.20	01/18/00	72.72	1.52	\$608.00	73.50	01/11/00	71.00	01/07/00
12/29/98	63.08	01/19/99	65.65	2.57	\$1,028.00	66.47	01/15/99	62.45	01/04/99
12/29/97	68.88	01/16/98	68.95	0.07	\$28.00	69.50	01/15/98	65.95	01/13/98
12/26/96	65.57	01/15/97	66.55	0.98	\$392.00	67.10	01/15/97	65.10	01/07/97
12/27/95	66.65	01/16/96	65.88	-0.77	(\$308.00)	67.02	12/28/95	65.50	01/16/96
12/28/94	71.75	01/17/95	74.47	2.72	\$1,088.00	74.82	01/17/95	71.50	12/29/94
12/29/93	75.20	01/17/94	76.45	1.25	\$500.00	77.15	01/17/94	74.80	12/30/93
12/28/92	76.15	01/15/93	79.07	2.92	\$1,168.00	79.45	01/11/93	75.70	12/29/92
12/27/91	72.02	01/16/92	75.17	3.15	\$1,260.00	75.35	01/14/92	71.02	12/30/91
12/27/90	76.50	01/16/91	74.80	-1.70	(\$680.00)	77.27	01/07/91	74.20	01/14/91
12/27/89	75.52	01/16/90	76.27	0.75	\$300.00	76.95	01/12/90	75.10	01/04/90
12/28/88	75.52	01/17/89	75.80	0.28	\$112.00	76.17	01/13/89	75.05	01/03/89
12/29/87	64.77	01/18/88	69.15	4.38	\$1,752.00	69.47	01/18/88	64.20	01/04/88

			In points	In \$'s		In points	In \$'s
# Trades	19	Total P&L	25.55	\$ 8,738.00	Maximum Draw	-5.12	(\$2,048.00)
# Win	16	Average P&L	1.34	\$ 582.53	Average Draw	-1.19	(\$508.07)
# Loss	3	Average Win	1.77	\$ 705.08			
% Win	84%	Average Loss	-0.92	\$ (214.00)	Worst Draw on Win	-5.12	(\$2,048.00)

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**DISCLOSURE OF RISK:** THE RISK OF LOSS IN TRADING FUTURES AND OPTIONS CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. FUTURES AND OPTIONS ARE NOT SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.



# **APPENDIX I**

## **Cattle Inventory**

- Cattle & Calf Inventory January 1<sup>st</sup>
- Calf Crop

## **Cattle on Feed**

### **Monthly Cattle on Feed Report**

- Cattle on Feed
- Placements
- Placements by Weight Group
- Marketings
- Other Disappearance

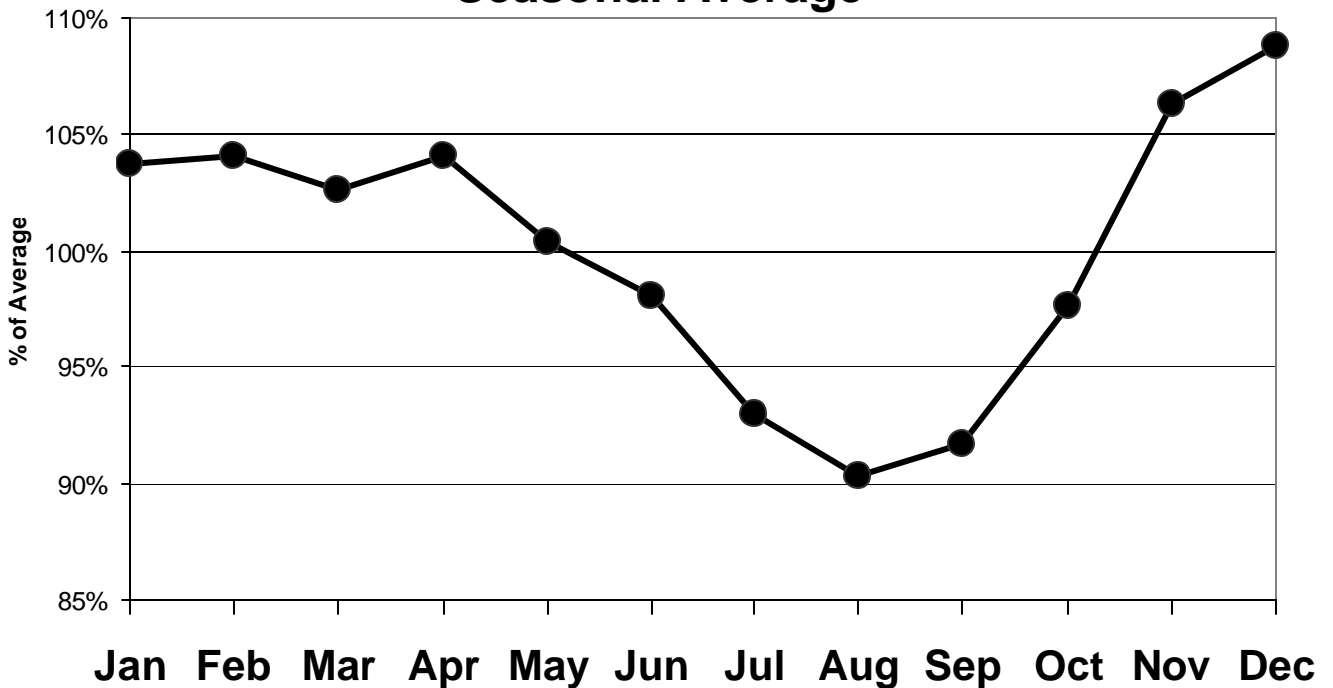
## **Slaughter Statistics**

- Cattle Slaughter Monthly and Yearly

# Cattle On Feed

(in Thousand Head)

## Seasonal Average



## ADJUSTED CATTLE ON FEED (Thousand Head)

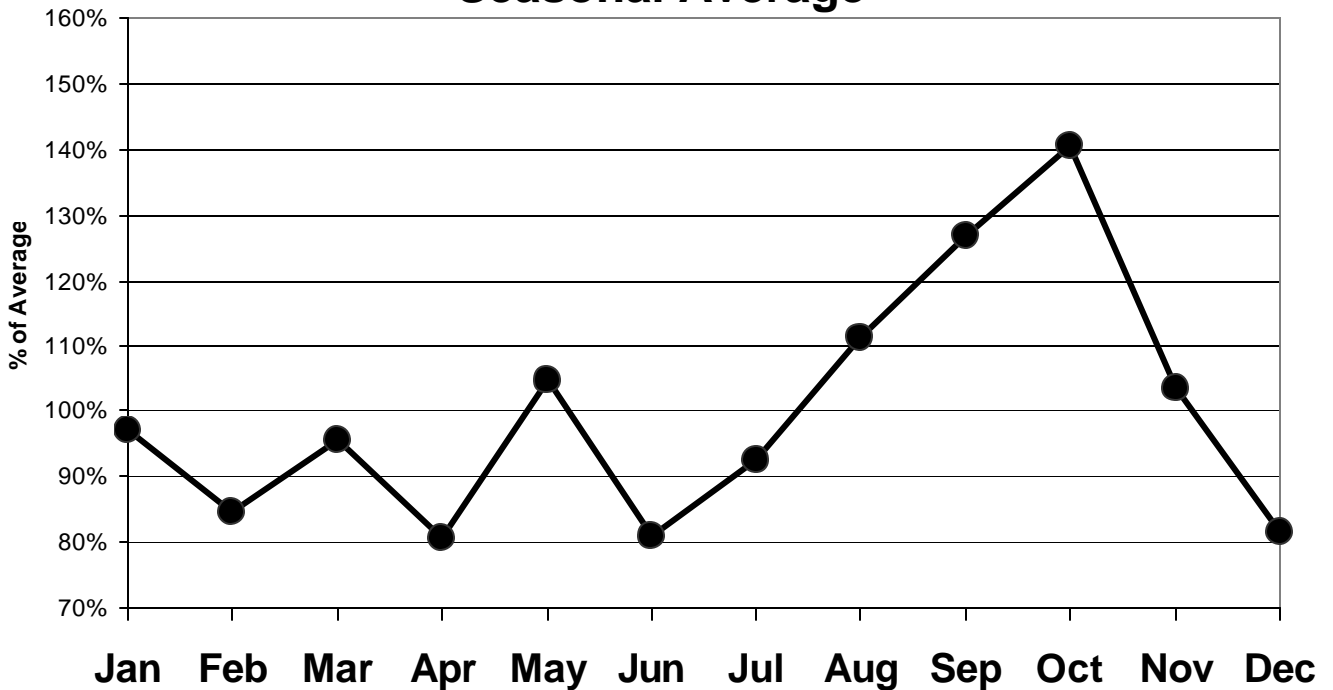
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1987	6,923	6,575	6,446	6,512	6,563	6,920	6,597	6,176	6,337	7,055	7,819	7,829
1988	7,322	7,085	6,824	6,970	6,807	7,148	6,815	6,314	6,199	6,671	7,399	7,385
1989	7,003	6,883	6,841	7,140	7,032	6,850	6,374	5,981	5,920	6,269	7,143	7,453
1990	7,293	7,363	7,180	7,348	7,122	6,931	6,475	6,224	6,271	6,933	7,891	8,158
1991	7,906	7,887	7,801	7,883	7,600	7,680	7,072	6,662	6,427	6,583	7,272	7,583
1992	7,206	7,046	7,031	6,979	6,862	6,930	6,506	6,237	6,242	6,789	7,854	8,025
1993	8,080	7,948	7,672	7,590	7,291	7,366	7,017	6,810	6,981	7,437	8,219	8,418
1994	8,256	8,139	7,981	7,960	7,772	7,511	6,910	6,841	6,949	7,295	7,988	8,198
1995	8,031	8,119	8,227	8,328	8,233	8,182	7,734	7,391	7,189	7,722	8,420	8,685
1996	10,346	9,900	9,696	9,812	9,173	8,601	7,840	7,546	7,831	8,841	10,073	10,633
1997	10,558	10,341	10,275	10,391	9,926	9,615	8,958	8,770	9,121	9,963	10,988	11,436
1998	11,155	10,785	10,365	10,107	9,717	9,703	9,161	8,985	9,022	9,747	10,755	11,033
1999	9,021	10,509	10,420	10,394	10,032	9,987	9,565	9,209	9,536	10,276	11,475	11,761
2000	9,752	11,574	11,330	11,202	10,944	10,967	10,399	10,180	10,374	11,016	11,864	11,948
2001	11,798	11,941	11,695	11,523	11,170	11,245	11,011	10,891	10,855	11,125	11,863	11,891
2002	11,572	9,951	9,905	11,577	10,951	9,449	9,056	8,750	8,845	9,088	9,315	9,395
2003	10,593	10,683	10,521	10,703	10,530	10,534	9,923	9,585	9,829	10,213	11,038	11,330
2004	11,565	11,128	10,977	10,748	10,360	10,625	10,117	9,853	9,973	10,497	11,334	11,334
2005	11,299	11,342	11,154	10,873	10,641	10,771	10,394	10,093	10,000	10,482	11,473	11,726
2006	11,804	12,110	12,023	11,812	11,559	11,187	10,872	10,822	10,986	11,385	11,969	11,973
2007												

Years prior to 1992 are adjusted based on 92-93 factor  
Source: USDA/NASS Cattle On Feed Report

# Cattle Placements

(in Thousand Head)

## Seasonal Average



## ADJUSTED CATTLE PLACEMENTS (Thousand Head)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1987	1,352	1,270	1,580	1,572	1,864	1,302	1,205	1,790	2,310	2,372	1,436	1,153
1988	1,422	1,215	1,699	1,405	2,044	1,261	1,169	1,552	2,063	2,224	1,445	1,179
1989	1,459	1,418	1,815	1,422	1,526	1,175	1,206	1,531	1,824	2,407	1,712	1,275
1990	1,608	1,232	1,716	1,259	1,519	1,223	1,434	1,640	2,058	2,465	1,708	1,202
1991	1,518	1,313	1,584	1,337	1,726	1,034	1,254	1,382	1,705	2,282	1,627	1,208
1992	1,364	1,359	1,447	1,330	1,592	1,187	1,337	1,525	2,049	2,460	1,547	1,427
1993	1,377	1,076	1,441	1,212	1,720	1,312	1,415	1,752	2,001	2,243	1,610	1,215
1994	1,416	1,256	1,518	1,310	1,359	1,113	1,520	1,761	1,915	2,244	1,642	1,345
1995	1,631	1,532	1,681	1,403	1,673	1,356	1,404	1,653	2,173	2,278	1,804	1,446
1996	1,549	1,713	1,948	1,364	1,557	1,305	1,746	2,265	2,653	3,007	2,348	1,695
1997	1,887	1,797	1,966	1,548	1,864	1,444	1,995	2,429	2,711	2,916	2,207	1,552
1998	1,725	1,454	1,708	1,583	2,031	1,563	1,926	2,031	2,649	2,829	2,056	1,496
1999	1,933	1,808	2,031	1,688	2,049	1,794	1,812	2,428	2,759	3,114	2,170	1,646
2000	2,216	1,880	2,031	1,707	2,305	1,664	1,907	2,440	2,686	2,829	2,014	1,699
2001	2,263	1,580	1,852	1,551	2,367	1,965	1,986	2,204	2,136	2,697	1,908	1,578
2002	1,902	1,538	1,654	1,453	1,990	1,422	1,619	1,936	2,188	2,389	1,667	1,380
2003	2,135	1,657	2,042	1,870	2,297	1,682	1,992	2,374	2,474	2,781	1,926	1,748
2004	1,751	1,610	1,804	1,603	2,367	1,639	1,720	2,099	2,385	2,701	1,743	1,834
2005	1,888	1,523	1,750	1,660	2,223	1,769	1,678	1,993	2,355	2,788	2,045	1,884
2006	2,199	1,598	1,837	1,629	1,913	1,946	1,963	2,295	2,227	2,430	1,889	
2007												

Years prior to 1992 are adjusted based on 92-93 factor  
Source: USDA/NASS Cattle On Feed Report

# CATTLE PLACEMENTS BY WEIGHT

January						February						March					
	<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total
(in 1,000 head)						(in 1,000 head)						(in 1,000 head)					
2002	381	614	734	437	2,166	2002	261	411	664	474	1,810	2002	314	372	702	565	1,953
2003	433	587	706	409	2,135	2003	263	376	597	421	1,657	2003	275	389	742	631	2,037
2004	367	466	576	342	1,751	2004	319	351	548	392	1,610	2004	347	346	641	470	1,804
2005	380	458	631	419	1,888	2005	277	308	526	412	1,523	2005	299	320	609	522	1,750
2006	530	447	702	520	2,199	2006	355	300	510	433	1,598	2006	380	342	565	550	1,837
2007						2007						2007					

April						May						June					
	<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total
(in 1,000 head)						(in 1,000 head)						(in 1,000 head)					
2002	210	255	512	476	1,453	2002	350	445	760	712	2,267	2002	341	356	513	434	1,644
2003	296	324	613	637	1,870	2003	408	366	747	776	2,297	2003	372	358	480	462	1,672
2004	316	302	567	418	1,603	2004	495	490	772	610	2,367	2004	460	356	448	375	1,639
2005	340	225	500	595	1,660	2005	435	390	663	735	2,223	2005	412	347	480	530	1,769
2006	385	270	444	530	1,629	2006	440	370	503	600	1,913	2006	565	430	456	495	1,946
2007						2007						2007					

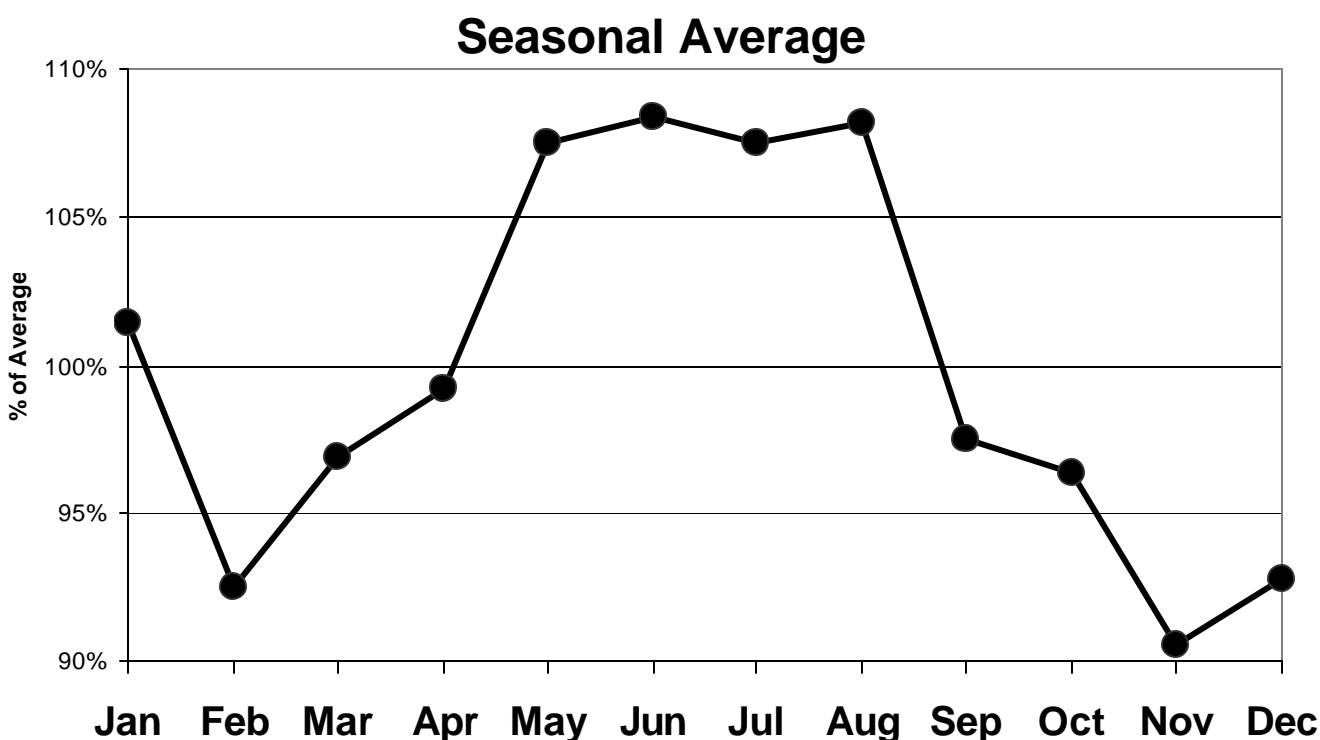
July						August						September					
	<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total
(in 1,000 head)						(in 1,000 head)						(in 1,000 head)					
2002	369	365	591	515	1,840	2002	525	483	625	585	2,218	2002	614	487	582	505	2,188
2003	421	414	593	564	1,992	2003	592	529	659	594	2,374	2003	698	545	610	621	2,474
2004	440	325	499	456	1,720	2004	506	413	565	615	2,099	2004	628	475	557	725	2,385
2005	400	338	465	475	1,678	2005	418	385	540	650	1,993	2005	565	505	550	735	2,355
2006	570	403	490	500	1,963	2006	680	430	535	650	2,295	2006	720	412	450	645	2,227
2007						2007						2007					

October						November						December					
	<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total		<600	600-699	700-799	800 Plus	Total
(in 1,000 head)						(in 1,000 head)						(in 1,000 head)					
2002	809	638	522	420	2,389	2002	589	660	417	311	1,977	2002	421	507	407	255	1,590
2003	1,023	796	508	454	2,781	2003	680	578	379	289	1,926	2003	503	529	448	268	1,748
2004	912	764	529	496	2,701	2004	590	557	326	270	1,743	2004	465	558	489	322	1,834
2005	880	790	593	525	2,788	2005	660	650	420	315	2,045	2005	575	554	430	325	1,884
2006	840	650	485	455	2,430	2006	555	565	404	365	1,889	2006					
2007						2007						2007					

Source: USDA/NASS Cattle On Feed Report

# ***Cattle Marketings (in Thousand Head)***



## **ADJUSTED CATTLE MARKETINGS (Thousand Head)**

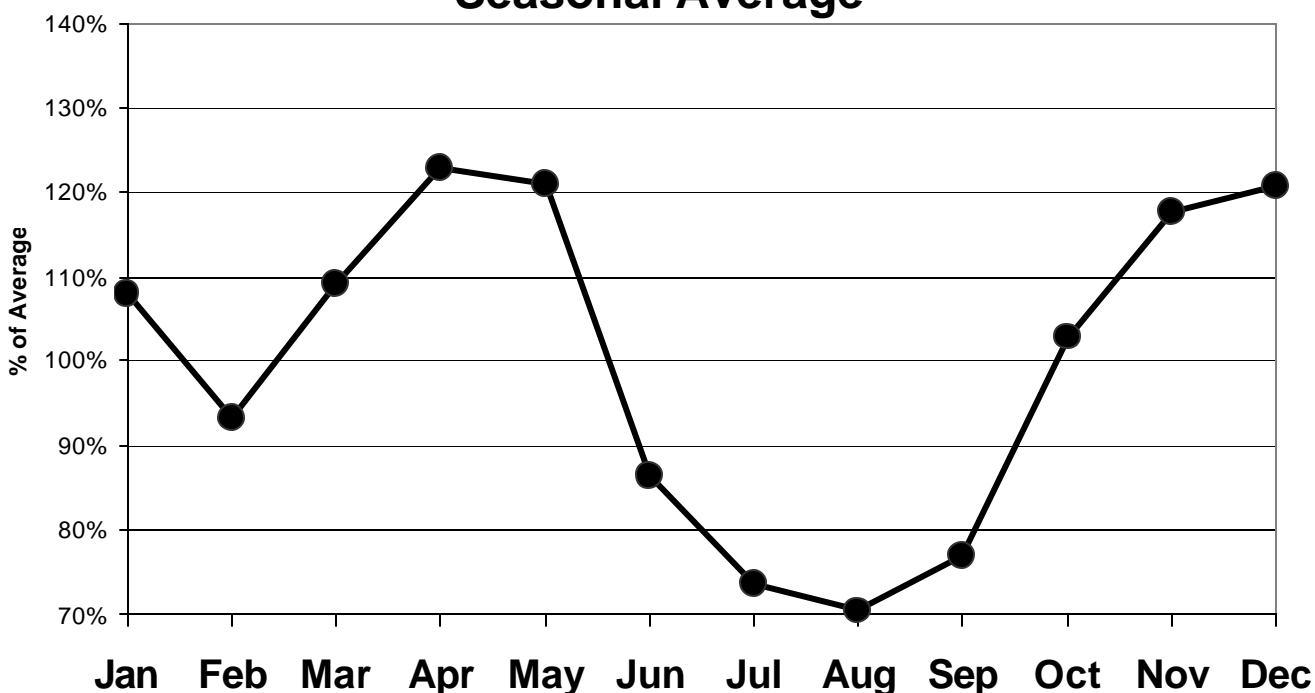
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1987	1,609	1,316	1,428	1,391	1,373	1,560	1,577	1,566	1,520	1,536	1,333	1,470
1988	1,583	1,376	1,448	1,452	1,563	1,546	1,634	1,619	1,530	1,424	1,368	1,383
1989	1,505	1,366	1,435	1,426	1,588	1,613	1,556	1,532	1,436	1,471	1,344	1,280
1990	1,453	1,340	1,434	1,389	1,606	1,633	1,620	1,525	1,323	1,427	1,373	1,244
1991	1,442	1,306	1,381	1,525	1,538	1,563	1,596	1,579	1,485	1,527	1,259	1,316
1992	1,449	1,278	1,401	1,351	1,439	1,524	1,535	1,453	1,450	1,333	1,304	1,290
1993	1,399	1,261	1,436	1,412	1,530	1,578	1,555	1,517	1,490	1,394	1,322	1,305
1994	1,481	1,357	1,467	1,430	1,542	1,632	1,550	1,602	1,525	1,504	1,370	1,432
1995	1,484	1,372	1,513	1,437	1,667	1,754	1,698	1,815	1,594	1,529	1,478	1,412
1996	1,930	1,845	1,756	1,896	2,045	1,996	1,978	1,930	1,573	1,697	1,695	1,684
1997	2,012	1,802	1,764	1,915	2,058	2,041	2,126	2,033	1,816	1,800	1,674	1,748
1998	1,996	1,805	1,872	1,881	1,952	2,033	2,052	1,942	1,863	1,769	1,700	1,813
1999	2,021	1,832	1,986	1,946	1,995	2,153	2,116	2,046	1,957	1,835	1,801	1,842
2000	2,048	2,046	2,056	1,875	2,167	2,175	2,082	2,197	1,990	1,915	1,825	1,754
2001	2,042	1,745	1,926	1,815	2,196	2,122	2,047	2,186	1,820	1,891	1,800	1,811
2002	1,792	1,532	1,565	1,996	1,864	1,773	1,889	2,135	1,848	1,979	1,731	1,801
2003	1,970	1,725	1,803	1,985	2,228	2,222	2,270	2,075	2,032	1,855	1,537	1,740
2004	1,782	1,692	1,966	1,894	2,023	2,077	1,926	1,923	1,800	1,798	1,635	1,777
2005	1,772	1,634	1,963	1,801	1,997	2,083	1,918	2,033	1,816	1,739	1,701	1,715
2006	1,810	1,612	1,958	1,795	2,170	2,198	1,955	2,072	1,760	1,765	1,802	
2007												

Years prior to 1992 are adjusted based on 92-93 factor

Source: USDA/NASS Cattle On Feed Report

# ***Cattle Disappearance*** *(in Thousand Head)*

## **Seasonal Average**



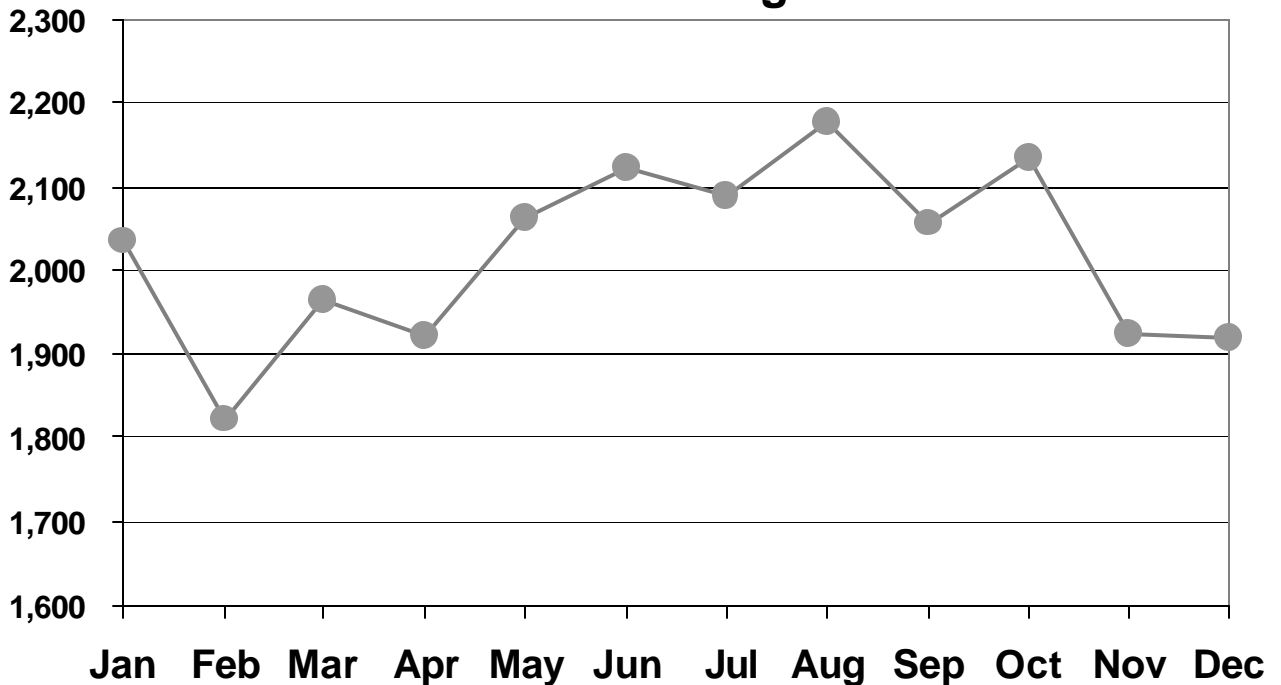
## **ADJUSTED CATTLE DISAPPEARANCE (Thousand Head)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1987	103	85	76	108	111	66	59	55	60	72	87	98
1988	86	102	90	108	113	52	52	53	56	71	91	95
1989	84	94	61	96	127	47	52	61	40	60	74	72
1990	92	77	97	97	116	52	64	66	67	78	77	100
1991	95	92	111	99	109	87	76	54	72	65	66	77
1992	75	96	98	96	85	87	71	67	52	62	72	82
1993	110	91	87	99	115	83	67	64	55	67	89	72
1994	52	57	72	68	78	82	39	51	44	47	62	80
1995	59	52	67	61	57	50	49	40	46	51	61	52
1996	65	72	76	107	84	70	62	50	70	78	93	86
1997	92	61	86	98	117	60	57	45	53	91	85	85
1998	99	69	94	92	93	72	50	52	61	52	78	85
1999	70	65	71	104	99	63	52	55	55	80	83	90
2000	69	78	103	90	115	57	44	49	48	66	105	95
2001	78	81	98	89	101	77	59	54	40	68	80	93
2002	74	52	60	83	66	42	36	43	53	84	90	99
2003	75	71	62	63	65	61	60	60	63	101	97	90
2004	94	69	67	97	79	70	58	56	61	66	108	92
2005	73	77	68	91	96	63	61	53	57	58	91	91
2006	83	73	90	87	115	63	58	59	68	81	83	

Years prior to 1992 are adjusted based on 92-93 factor  
Source: USDA/NASS Cattle On Feed Report

# ***Federally Inspected Beef Slaughter*** *(in million pounds)*

## **Seasonal Average**



## **US Monthly and Yearly Cattle Slaughter**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1986	2,070	1,713	1,798	2,044	2,047	1,967	2,087	2,020	1,990	2,079	1,741	1,900	11,639
1987	2,038	1,693	1,851	1,874	1,800	1,908	1,966	1,959	1,988	2,038	1,766	1,865	11,164
1988	1,895	1,784	1,878	1,798	1,874	1,976	1,934	2,111	1,993	1,954	1,818	1,822	11,205
1989	1,852	1,705	1,844	1,717	1,954	1,979	1,852	2,050	1,874	1,992	1,855	1,783	11,051
1990	1,890	1,669	1,830	1,709	1,965	1,945	1,908	2,024	1,779	1,995	1,798	1,640	11,008
1991	1,927	1,659	1,683	1,834	1,910	1,840	1,962	2,040	1,900	2,070	1,774	1,742	10,853
1992	1,998	1,671	1,812	1,751	1,867	2,004	1,982	1,944	1,960	1,975	1,745	1,815	11,103
1993	1,785	1,646	1,822	1,749	1,826	2,019	1,953	2,032	1,993	1,941	1,854	1,909	10,846
1994	1,906	1,769	1,967	1,870	1,954	2,125	1,997	2,181	2,102	2,077	1,942	1,984	11,592
1995	1,972	1,779	2,033	1,821	2,153	2,254	2,060	2,281	2,185	2,139	2,059	1,957	12,011
1996	2,177	2,009	1,996	2,114	2,263	2,148	2,156	2,225	1,897	2,137	1,917	1,908	12,707
1997	2,180	1,882	1,930	2,062	2,157	2,100	2,224	2,188	2,092	2,262	1,899	1,987	12,311
1998	2,122	1,945	2,049	2,059	2,094	2,215	2,183	2,197	2,166	2,199	1,971	2,065	12,484
1999	2,136	1,965	2,196	2,123	2,122	2,290	2,229	2,277	2,243	2,229	2,111	2,077	12,832
2000	2,143	2,143	2,268	1,997	2,273	2,341	2,175	2,407	2,244	2,310	2,138	1,966	13,165
2001	2,172	1,852	2,065	1,910	2,265	2,241	2,150	2,396	2,090	2,353	2,171	2,078	12,505
2002	2,296	1,956	2,028	2,164	2,306	2,274	2,398	2,438	2,170	2,474	2,134	2,075	13,024
2003	2,256	1,912	2,018	2,121	2,332	2,364	2,411	2,300	2,285	2,178	1,755	1,948	13,003
2004	1,894	1,775	2,076	1,929	2,043	2,199	2,078	2,122	2,075	2,080			
2005													
2006													

Source: USDA/NASS Livestock Slaughter Report, <http://usda.mannlib.cornell.edu/reports/nassr/livestock/pls-bb/2001/>

# APPENDIX II

## 50 State Inventory of Hogs & Pigs

Quarterly Hogs and Pigs Report (March 1<sup>st</sup>, June 1<sup>st</sup>, September 1<sup>st</sup>, December 1<sup>st</sup>)

- Inventory: All Hogs & Pigs, Kept for Breeding, For Market
- Pig Crop Statistics
- Farrowing Statistics
- Federally Inspected Hog and Pig Slaughter

### Miscellaneous Pork Statistics

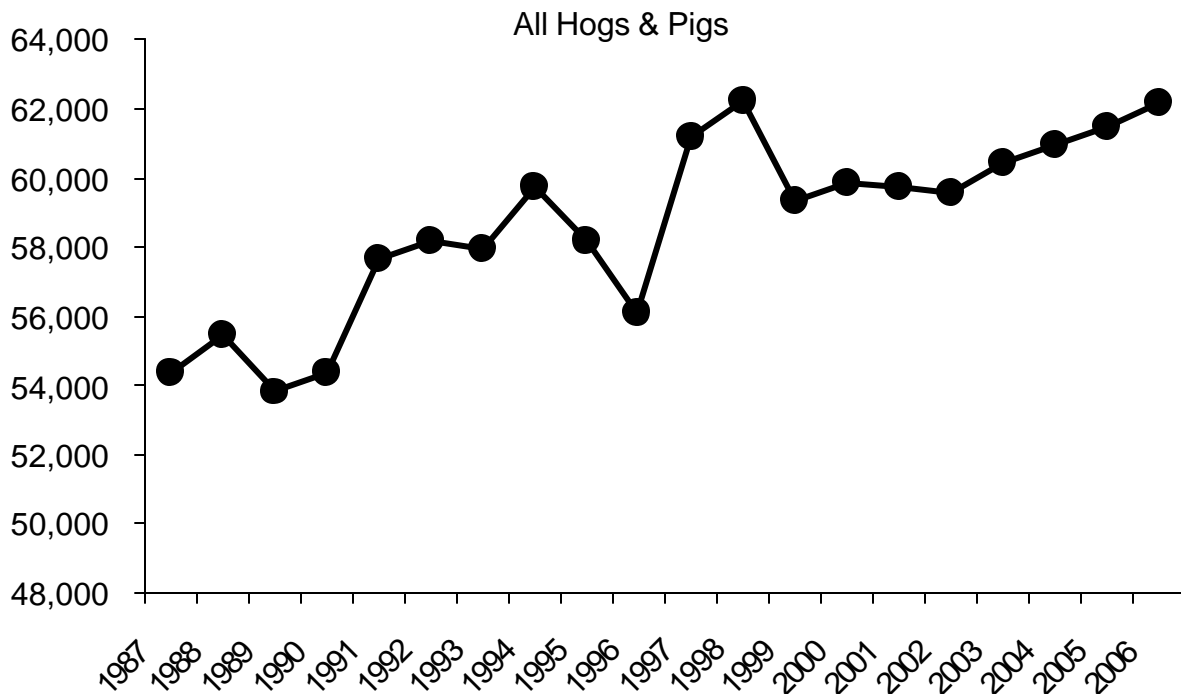
- Monthly Pork Belly Cold Storage Stocks
- World Pork Statistics



# December 1st

## 50 State Inventory of Hogs & Pigs

(in 1,000 Head)



Hogs & Pigs December 1<sup>st</sup>

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1989	53,788	6,857	46,931	17,185	12,174	9,663	7,909
1990	54,416	6,847	47,569	17,852	12,195	9,622	7,900
1991	57,649	7,229	50,420	18,671	12,966	10,367	8,416
1992	58,202	7,109	51,093	19,122	12,846	10,420	8,705
1993	57,940	7,166	50,774	19,171	12,627	10,268	8,709
1994	59,738	6,998	52,739	19,477	13,007	10,927	9,329
1995	58,201	6,770	51,431	18,916	12,755	10,704	9,057
1996	56,124	6,578	49,546	18,503	12,193	10,209	8,641
1997	61,158	6,957	54,200	20,237	13,319	11,188	9,457
1998	62,206	6,682	55,523	20,140	13,631	11,585	10,168
1999	59,342	6,234	53,109	19,241	13,107	11,073	9,687
2000	59,138	6,270	52,868	19,421	12,933	10,846	9,669
2001	59,804	6,209	53,594	19,908	12,924	10,744	10,018
2002	59,513	6,012	53,501	19,461	13,054	10,881	10,105
2003	60,449	5,990	54,458	19,779	13,259	11,110	10,312
2004	60,975	5,969	55,005	19,980	13,439	11,186	10,401
2005	61,449	6,011	55,438	20,055	13,524	11,293	10,567
2006	62,149	6,088	56,061	20,334	13,603	11,544	10,580
2007							

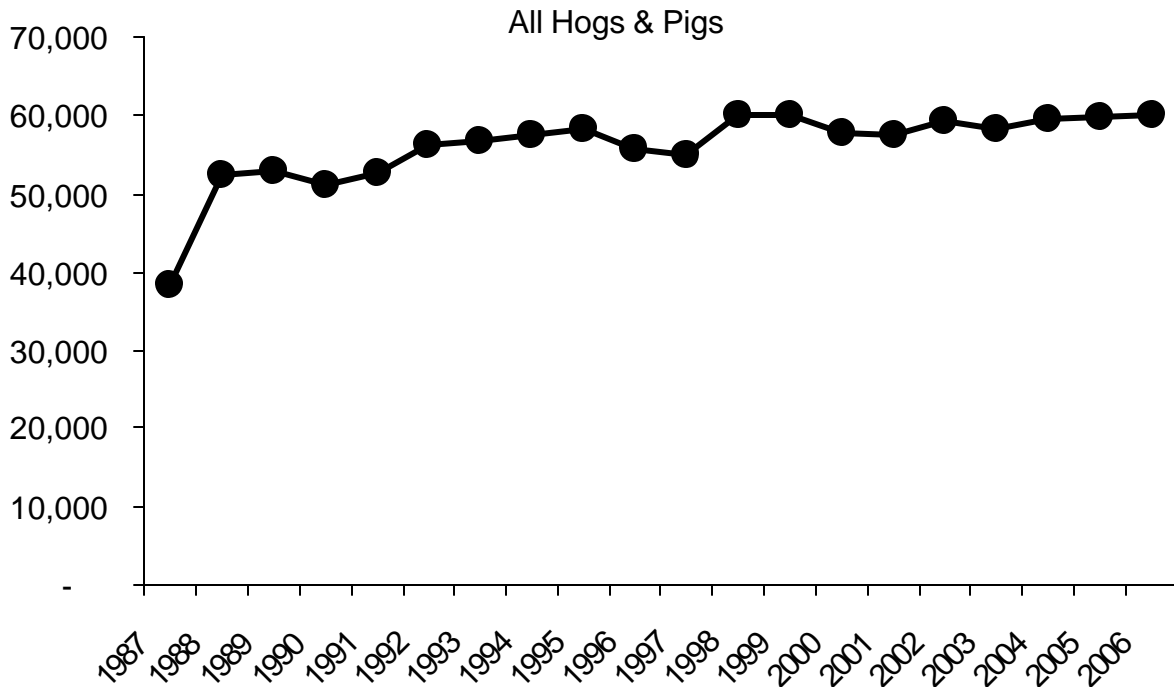
Source: Quarterly Hogs & Pigs Report, USDA/NASS

<http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/>

# March 1st

## 50 State Inventory of Hogs & Pigs

(in 1,000 Head)



Hogs & Pigs March 1<sup>st</sup>

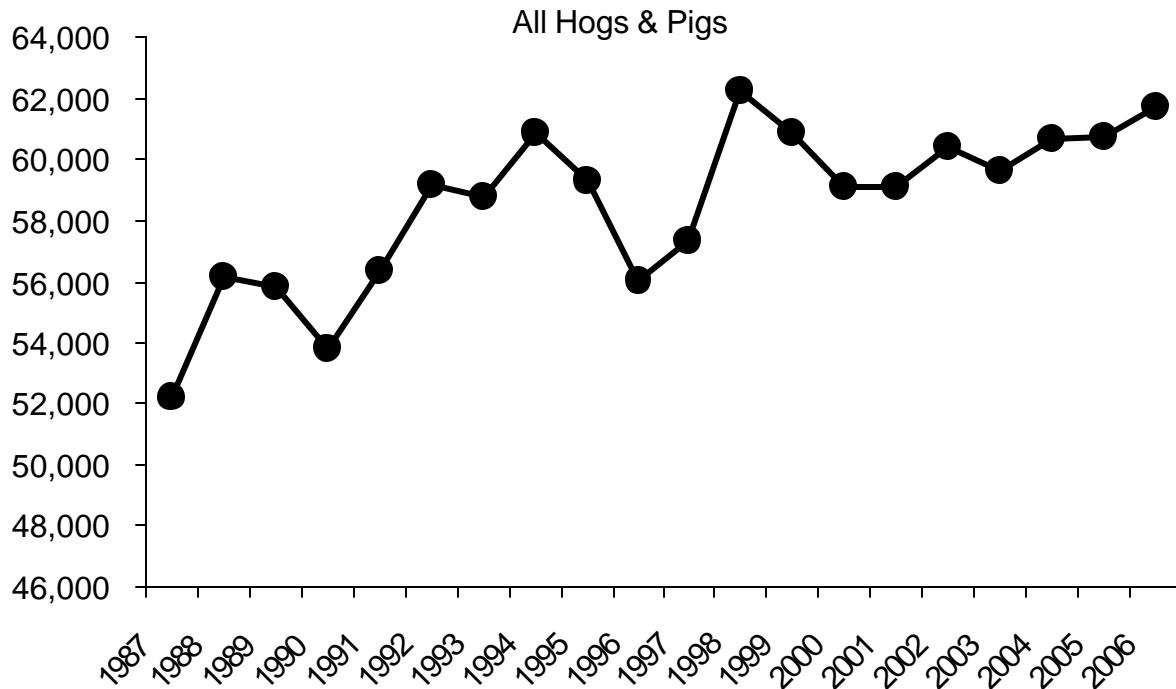
Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1989	52,965	7,081	45,884	17,624	10,995	9,493	7,772
1990	51,120	6,806	44,314	16,895	10,582	9,199	7,638
1991	52,790	6,997	45,793	17,678	11,036	9,320	7,759
1992	56,180	7,155	49,025	19,040	11,865	9,780	8,340
1993	56,661	7,053	49,608	18,502	12,060	10,480	8,566
1994	57,435	7,189	50,246	18,750	12,144	10,575	8,778
1995	58,283	6,945	51,337	19,144	12,395	10,640	9,159
1996	55,741	6,701	49,040	18,534	11,732	10,021	8,754
1997	55,049	6,637	48,412	18,490	11,627	9,858	8,437
1998	60,163	6,942	53,220	20,192	12,791	10,774	9,464
1999	60,191	6,527	53,663	19,978	12,899	10,995	9,792
2000	57,782	6,190	51,593	19,217	12,409	10,552	9,414
2001	57,524	6,232	51,292	18,737	12,417	10,805	9,334
2002	59,248	6,236	53,011	19,487	12,975	11,172	9,377
2003	58,187	5,956	52,231	19,110	12,655	10,944	9,522
2004	59,520	5,961	53,558	19,823	12,954	11,205	9,578
2005	59,699	5,941	53,757	19,667	13,087	11,360	9,644
2006	60,176	6,025	54,151	19,988	13,006	11,334	9,824
2007							

Source: Quarterly Hogs & Pigs Report, USDA/NASS  
<http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/>

# June 1st

## 50 State Inventory of Hogs & Pigs

(in 1,000 Head)



Hogs & Pigs June 1<sup>st</sup>

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1989	55,880	7,315	48,565	20,727	12,070	8,765	7,003
1990	53,800	7,065	46,735	19,806	11,698	8,515	6,716
1991	56,340	7,485	48,855	20,720	12,365	8,815	6,955
1992	59,175	7,520	51,655	21,540	13,005	9,615	7,495
1993	58,795	7,260	51,536	20,739	12,898	9,877	8,022
1994	60,847	7,532	53,315	22,024	13,092	10,007	8,193
1995	59,329	7,117	52,211	21,042	12,841	9,780	8,549
1996	56,038	6,682	49,356	19,645	12,196	9,757	7,759
1997	57,366	6,789	50,577	19,988	12,574	10,002	8,013
1998	62,213	6,958	55,254	21,482	13,711	11,084	8,978
1999	60,896	6,515	54,380	20,532	13,501	11,076	9,272
2000	59,117	6,234	52,884	19,907	13,247	10,710	9,019
2001	58,603	6,186	52,417	19,923	12,992	10,536	8,967
2002	60,288	6,209	54,078	20,186	13,588	10,884	9,420
2003	58,736	5,940	52,796	19,617	13,113	10,727	9,339
2004	60,698	5,937	54,760	20,292	13,500	11,256	9,714
2005	60,732	5,977	54,754	20,423	13,376	11,143	9,813
2006	61,687	6,060	55,627	20,808	13,692	11,485	9,643
2007							

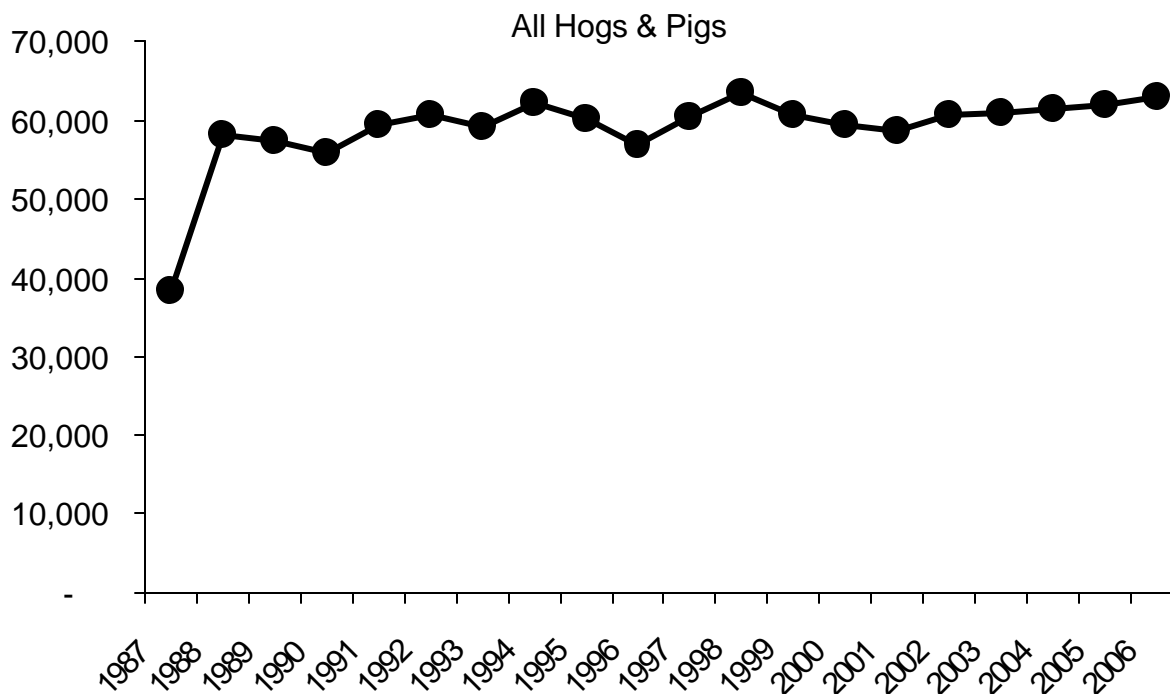
Source: Quarterly Hogs & Pigs Report, USDA/NASS

<http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/>

# September 1<sup>st</sup>

## 50 State Inventory of Hogs & Pigs

(in 1,000 Head)



Hogs & Pigs September 1<sup>st</sup>

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1988	58,060	7,189	50,871	19,560	12,620	10,525	8,166
1989	57,315	6,832	50,483	19,150	12,502	10,559	8,272
1990	55,890	6,815	49,075	18,936	12,168	10,132	7,839
1991	59,360	7,245	52,115	20,210	13,025	10,610	8,270
1992	60,655	7,290	53,365	20,090	13,575	10,905	8,795
1993	59,169	7,208	51,961	19,632	13,089	10,689	8,551
1994	62,208	7,468	54,740	20,633	13,883	11,223	9,002
1995	60,137	6,907	53,229	19,822	13,347	11,044	9,017
1996	56,961	6,577	50,384	18,782	12,498	10,418	8,687
1997	60,456	6,858	53,598	20,662	13,388	10,673	8,875
1998	63,488	6,875	56,612	21,189	14,032	11,555	9,837
1999	60,776	6,301	54,474	20,243	13,414	11,129	9,689
2000	59,495	6,246	53,250	19,955	13,055	10,817	9,422
2001	59,777	6,158	53,619	19,911	13,438	10,854	9,417
2002	60,725	6,054	54,670	20,070	13,655	11,019	9,926
2003	60,859	5,918	54,941	20,368	13,729	11,334	9,510
2004	61,519	5,962	55,556	20,729	13,613	11,235	9,981
2005	61,846	5,972	55,873	20,764	13,876	11,404	9,830
2006	62,814	6,079	56,735	20,998	13,991	11,585	10,162
2007							

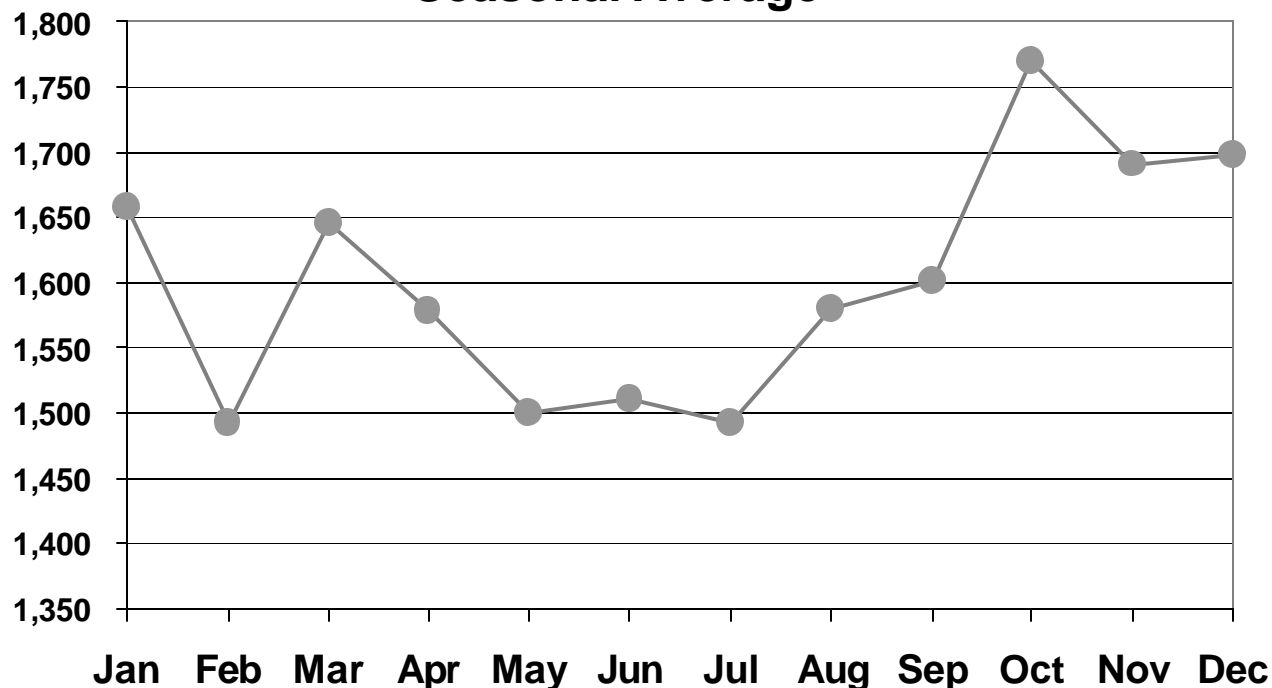
Source: Quarterly Hogs & Pigs Report, USDA/NASS

<http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/>

# ***Federally Inspected Hog & Pig Slaughter***

(in million pounds)

## **Seasonal Average**

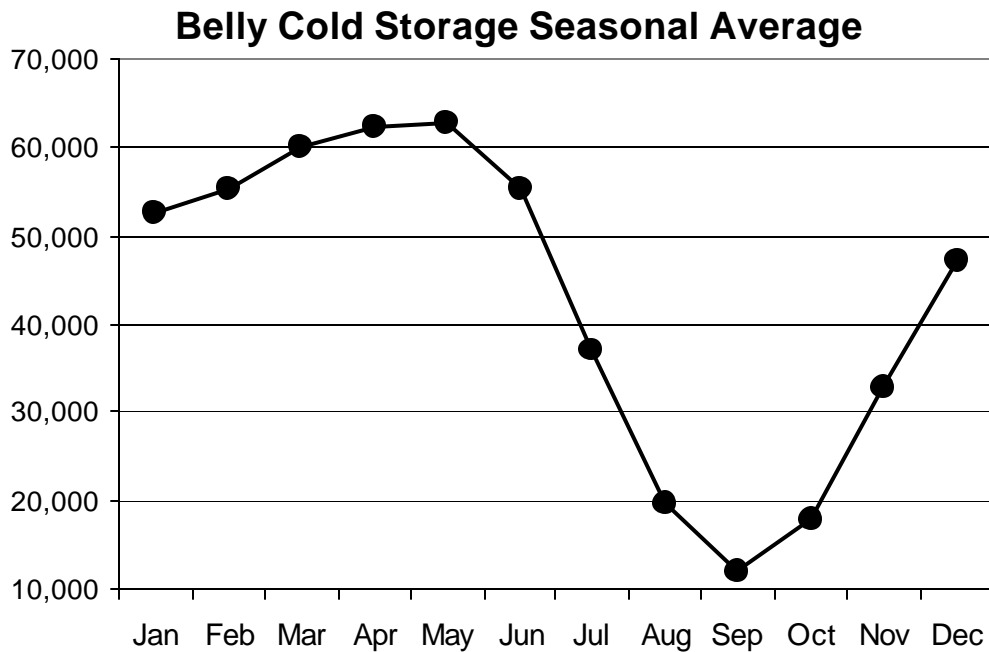


## **US Hog Slaughter by Month and Yearly Totals**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1986	1,230	1,076	1,166	1,261	1,180	1,035	1,034	1,009	1,107	1,254	1,086	1,181	13,619
1987	1,211	1,042	1,196	1,141	1,044	1,058	1,055	1,048	1,199	1,329	1,278	1,352	13,953
1988	1,214	1,156	1,332	1,236	1,203	1,203	1,105	1,251	1,330	1,409	1,425	1,385	15,249
1989	1,274	1,175	1,342	1,292	1,308	1,235	1,081	1,302	1,318	1,387	1,410	1,252	15,376
1990	1,330	1,184	1,300	1,220	1,229	1,116	1,076	1,278	1,199	1,357	1,340	1,306	14,935
1991	1,363	1,176	1,272	1,332	1,262	1,114	1,179	1,270	1,286	1,502	1,424	1,409	15,589
1992	1,491	1,300	1,436	1,385	1,261	1,303	1,346	1,348	1,478	1,557	1,423	1,489	16,817
1993	1,405	1,262	1,451	1,438	1,283	1,350	1,284	1,360	1,410	1,443	1,478	1,520	16,684
1994	1,346	1,249	1,501	1,405	1,368	1,383	1,269	1,462	1,508	1,596	1,604	1,603	17,291
1995	1,466	1,326	1,605	1,377	1,495	1,437	1,274	1,475	1,411	1,545	1,580	1,477	17,467
1996	1,523	1,391	1,396	1,460	1,389	1,184	1,316	1,368	1,383	1,563	1,405	1,402	16,780
1997	1,437	1,286	1,398	1,424	1,311	1,290	1,331	1,328	1,466	1,627	1,449	1,614	16,961
1998	1,612	1,437	1,572	1,545	1,398	1,422	1,506	1,481	1,565	1,731	1,657	1,766	18,692
1999	1,597	1,473	1,707	1,604	1,396	1,560	1,469	1,540	1,594	1,675	1,683	1,679	18,977
2000	1,550	1,537	1,683	1,378	1,520	1,517	1,389	1,620	1,533	1,694	1,693	1,557	18,671
2001	1,672	1,467	1,606	1,514	1,535	1,439	1,416	1,579	1,492	1,818	1,715	1,648	18,901
2002	1,698	1,465	1,563	1,654	1,628	1,461	1,538	1,617	1,617	1,810	1,691	1,694	19,436
2003	1,734	1,506	1,606	1,642	1,535	1,515	1,562	1,541	1,650	1,894	1,703	1,851	19,739
2004	1,743	1,557	1,785	1,711	1,486	1,657	1,562	1,681	1,755	1,764			16,701
2005													
2006													

Source: USDA/NASS Livestock Slaughter Report, <http://usda.mannlib.cornell.edu/reports/nassr/livestock/pls-bb/2001/>

# Pork Belly Cold Storage Stocks - 1<sup>st</sup> of Month



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(in 1,000 pounds)												
1986	51,000	48,000	51,000	63,000	68,000	66,000	62,000	40,000	21,000	13,000	17,000	25,000
1987	38,000	35,000	35,000	42,000	51,000	58,000	47,000	29,000	19,000	13,000	15,000	36,000
1988	62,000	63,000	67,000	90,000	103,000	112,000	103,000	74,000	43,000	31,000	50,000	93,000
1989	113,000	116,000	122,000	128,000	144,000	142,000	127,000	94,000	49,000	32,000	39,000	68,000
1990	85,000	77,000	86,000	97,000	103,000	106,000	88,000	56,000	23,000	5,000	6,000	24,000
1991	47,000	49,000	55,000	68,000	80,000	80,000	1,000	46,000	30,000	16,000	26,000	48,000
1992	72,000	77,000	76,000	85,000	97,000	93,000	79,000	55,000	27,000	22,000	26,000	50,000
1993	71,000	65,000	66,000	66,000	79,000	79,000	70,000	47,000	21,000	11,000	14,000	34,000
1994	55,999	54,921	63,099	72,230	79,018	73,583	57,747	30,636	18,260	22,656	40,725	61,073
1995	62,776	64,228	78,975	78,539	77,919	67,607	47,055	17,435	6,255	13,478	37,092	47,587
1996	46,498	46,381	47,655	57,174	63,522	56,767	28,533	18,996	12,702	16,206	30,943	37,930
1997	38,030	44,277	54,767	54,015	55,274	52,274	33,657	18,346	11,148	14,408	25,365	44,763
1998	55,249	55,368	54,441	58,600	59,462	52,010	31,433	14,786	9,452	16,440	41,711	72,657
1999	82,605	93,323	106,194	109,521	108,257	93,383	69,675	34,814	19,273	22,489	26,170	40,300
2000	43,802	49,983	60,527	63,461	68,292	60,097	50,515	33,005	21,341	20,589	38,674	47,099
2001	50,145	47,154	45,440	43,878	46,029	39,552	24,996	12,754	8,960	28,216	36,297	44,301
2002	50,849	57,569	60,721	63,293	62,269	51,019	29,925	14,250	9,452	10,354	18,059	28,254
2003	33,400	38,278	42,516	48,542	45,858	43,504	32,189	17,900	10,180	20,991	33,073	49,017
2004	63,095	57,035	50,126	46,109	41,366	37,102	23,383	15,102	11,344	16,066		
2005												
2006												

Source: USDA/NASS Monthly Cold Storage Report

# **APPENDIX III**

## ***Live Cattle Monthly Performance Statistics***

- Monthly Performance Statistics
- Trend Continuation Statistics

## ***Feeder Cattle Monthly Performance Statistics***

- Monthly Performance Statistics
- Trend Continuation Statistics

## ***Lean Hog Monthly Performance Statistics***

- Monthly Performance Statistics
- Trend Continuation Statistics

# Monthly Live Cattle Futures Performance Summary

<i>contract</i>	G Jan	J Feb	J Mar	M Apr	M May	Q Jun	Q Jul	V Aug	V Sep	Z Oct	Z Nov	G Dec
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	13	12	9	9	9	8	12	6	14	13	10	12
# Down	6	7	10	10	10	11	6	13	5	5	8	7
<b>Total Gain(Loss)</b>	20.75	9.58	-8.33	-5.55	6.20	3.00	22.28	-8.02	16.78	12.45	13.60	-4.88
<b>Total % Gain(Loss)</b>	29.16%	15.39%	-10.83%	-8.48%	8.13%	6.73%	33.03%	-10.35%	21.83%	17.77%	14.06%	-0.50%
<b>Average Change</b>	1.09	0.50	-0.44	-0.29	0.33	0.16	1.17	-0.42	0.88	0.66	0.72	-0.26
<b>Average % Change</b>	1.53%	0.81%	-0.57%	-0.45%	0.43%	0.35%	1.74%	-0.54%	1.15%	0.94%	0.74%	-0.03%
<b>Average Gain</b>	2.20	2.19	2.03	1.33	3.17	2.57	2.91	2.63	2.13	1.59	2.49	2.08
<b>Average % Gain</b>	3.04%	3.02%	2.61%	1.89%	4.47%	3.74%	4.25%	3.61%	2.84%	2.19%	3.01%	2.90%
<b>Average Loss</b>	-1.30	-2.38	-2.66	-1.75	-2.23	-1.60	-2.10	-1.83	-2.62	-1.66	-1.41	-4.25
<b>Average % Loss</b>	-1.73%	-2.98%	-3.43%	-2.55%	-3.21%	-2.11%	-3.00%	-2.46%	-3.58%	-2.14%	-2.01%	-5.04%
<b>Average Range</b>	4.29	4.15	4.40	3.03	3.31	2.60	3.63	3.99	3.45	4.01	4.08	5.01
<b>Average Range (%)</b>	5.80%	5.59%	5.79%	4.29%	4.64%	3.78%	5.33%	5.48%	4.83%	5.33%	5.34%	6.77%
<b># Higher Highs</b>	15	10	12	8	9	12	10	11	10	12	13	13
<b># Lower Lows</b>	3	10	5	11	8	9	10	7	7	7	7	8
<b># Expanded Ranges</b>	10	13	8	12	11	9	12	12	9	9	8	13
<b># Narrower Ranges</b>	9	6	11	7	8	7	5	7	10	9	10	6
<b>5 Year High</b>	97.05	91.65	92.25	87.35	88.00	89.00	87.65	94.00	94.80	97.13	99.30	97.40
<b>5 Year Low</b>	69.70	71.35	69.55	59.33	59.35	63.55	65.00	66.65	66.75	69.03	72.25	67.10
<b>10 Year High</b>	97.05	91.65	92.25	87.35	88.00	89.00	87.65	94.00	94.80	97.13	99.30	97.40
<b>10 Year Low</b>	59.45	62.98	63.10	59.33	59.35	61.85	58.65	58.15	57.43	61.65	61.13	57.15
<b>19 Year High</b>	97.05	91.65	92.25	87.35	88.00	89.00	87.65	94.00	94.80	97.13	99.30	97.40
<b>19 Year Low</b>	59.45	62.98	61.30	54.00	56.75	59.80	58.65	58.15	57.43	61.65	61.13	57.15

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December



# Monthly Live Cattle Trend Continuation Study

	G Jan	J Feb	J Mar	M Apr	M May	Q Jun	Q Jul	V Aug	V Sep	Z Oct	Z Nov	G Dec
<b>Yrs Tested</b>	19	19	19	19	19	19	19	19	19	19	19	19
<b># Up</b>	13	12	9	9	9	8	12	6	14	13	10	12
<b># Down</b>	6	7	10	10	10	11	6	13	5	5	8	7
<b>Total Gain (Loss)</b>	20.75	9.58	-8.33	-5.55	6.20	3.00	22.28	-8.02	16.78	12.45	13.60	-4.88
<b>Average Gain(Loss)</b>	1.09	0.50	-0.44	-0.29	0.33	0.16	1.17	-0.42	0.88	0.66	0.72	-0.26
<b><i>If Previous Month is Up, then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	15	12	8	9	8	8	15	6	13	13	12	12
<b>#Up</b>	10	6	6	4	3	6	6	5	10	6	7	8
<b>#Down</b>	5	6	2	5	5	2	9	1	3	7	5	4
<b>% Closing Higher</b>	67%	50%	75%	44%	38%	75%	40%	83%	77%	46%	58%	67%
<b>Total Gain(Loss)</b>	12.40	-3.38	2.75	3.18	3.00	13.35	-1.37	10.45	12.65	8.28	-12.55	13.18
<b>Average Gain (Loss)</b>	0.83	-0.28	0.34	0.35	0.37	1.67	-0.09	1.74	0.97	0.64	-1.05	1.10
<b># Higher Highs</b>	9	9	7	7	7	6	11	5	11	10	7	10
<b># Lower Lows</b>	8	2	3	3	3	2	3	0	2	4	4	2
<b><i>If Previous Month is Down then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	4	7	11	10	10	10	4	13	5	5	7	7
<b>#Up</b>	2	3	3	5	5	6	0	9	3	4	5	5
<b>#Down</b>	2	4	8	5	5	4	4	4	2	1	2	2
<b>% Closing Lower</b>	50%	57%	73%	50%	50%	40%	100%	31%	40%	20%	29%	29%
<b>Total Gain(Loss)</b>	-2.83	-4.95	-8.30	3.03	3.23	8.93	-6.65	6.33	-0.20	5.33	7.68	7.58
<b>Average Gain (Loss)</b>	-0.71	-0.71	-0.75	0.30	0.32	0.81	-1.66	0.49	-0.04	1.07	1.10	1.08
<b># Higher Highs</b>	1	3	1	2	5	4	0	5	1	3	4	3
<b># Lower Lows</b>	2	3	8	5	5	8	4	7	5	3	5	2

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# Monthly Feeder Cattle Futures Performance Summary

	H Jan	H Feb	J Mar	K Apr	Q May	Q Jun	Q Jul	U Aug	V Sep	F Oct	F Nov	F Dec
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	10	7	9	12	12	13	13	11	14	9	11	11
# Down	9	12	10	7	7	6	6	8	5	10	8	8
<b>Total Gain(Loss)</b>	7.65	-11.50	3.15	14.13	17.30	20.03	29.63	8.13	15.23	4.20	9.40	-16.70
<b>Total % Gain(Loss)</b>	12.07%	-12.76%	1.34%	14.31%	17.75%	24.81%	37.05%	8.20%	17.76%	5.36%	10.31%	-15.68%
<b>Average Change</b>	0.40	-0.61	0.17	0.74	0.91	1.05	1.56	0.43	0.80	0.22	0.49	-0.88
<b>Average % Change</b>	0.64%	-0.67%	0.07%	0.75%	0.93%	1.31%	1.95%	0.43%	0.93%	0.28%	0.54%	-0.83%
<b>Average Gain</b>	2.63	1.73	2.93	2.71	3.02	2.34	3.00	2.08	1.97	1.96	2.14	1.96
<b>Average % Gain</b>	3.36%	2.18%	3.40%	3.32%	3.53%	2.84%	3.72%	2.40%	2.23%	2.44%	2.52%	2.44%
<b>Average Loss</b>	-2.07	-1.97	-2.32	-2.63	-2.71	-1.73	-1.55	-1.84	-2.48	-1.35	-1.77	-4.78
<b>Average % Loss</b>	-2.39%	-2.34%	-2.93%	-3.65%	-3.51%	-2.02%	-1.90%	-2.28%	-2.68%	-1.66%	-2.18%	-5.32%
<b>Average Range</b>	4.41	3.79	4.25	4.86	4.78	4.81	4.88	4.28	4.35	4.13	4.08	5.13
<b>Average Range (%)</b>	5.45%	4.69%	5.24%	6.27%	5.85%	5.77%	5.85%	5.08%	5.03%	5.01%	4.90%	6.03%
<b># Higher Highs</b>	12	7	8	9	11	13	14	14	11	11	9	12
<b># Lower Lows</b>	6	9	9	7	8	4	5	7	9	10	6	5
<b># Expanded Ranges</b>	9	8	11	7	12	9	9	10	9	12	10	8
<b># Narrower Ranges</b>	10	11	7	12	7	10	10	9	10	7	9	11
<b>5 Year High</b>	114.93	110.30	108.10	108.95	113.50	117.93	117.50	117.95	119.25	115.00	117.90	117.90
<b>5 Year Low</b>	77.85	73.95	74.05	69.85	73.80	74.48	75.40	75.03	78.10	77.80	78.15	78.50
<b>10 Year High</b>	114.93	110.30	108.10	108.95	113.50	117.93	117.50	117.95	119.25	115.00	117.90	117.90
<b>10 Year Low</b>	67.30	66.70	65.83	69.05	71.65	70.65	67.15	65.60	65.50	63.35	64.73	65.25
<b>19 Year High</b>	114.93	110.30	108.10	108.95	113.50	117.93	117.50	117.95	119.25	115.00	117.90	117.90
<b>19 Year Low</b>	55.93	56.30	55.45	46.15	52.75	58.00	59.50	61.50	63.03	62.75	63.80	60.45

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# Monthly Feeder Cattle Trend Continuation Study

	H Jan	H Feb	J Mar	K Apr	Q May	Q Jun	Q Jul	U Aug	V Sep	F Oct	F Nov	F Dec
<b>Yrs Tested</b>	19	19	19	19	19	19	19	19	19	19	19	19
<b># Up</b>	10	7	9	12	12	13	13	11	14	9	11	11
<b># Down</b>	9	12	10	7	7	6	6	8	5	10	8	8
<b>Total Gain (Loss)</b>	7.65	-11.5	3.15	14.125	17.3	20.025	29.625	8.125	15.225	4.2	9.4	-16.7
<b>Average Gain(Loss)</b>	0.40	-0.61	0.17	0.74	0.91	1.05	1.56	0.43	0.80	0.22	0.49	-0.88
<b><i>If Previous Month is Up, then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	10	7	9	12	12	13	13	11	14	9	11	11
<b>#Up</b>	5	2	7	8	8	11	8	7	10	4	7	6
<b>#Down</b>	5	5	2	4	4	2	5	4	4	5	4	5
<b>% Closing Higher</b>	50%	29%	78%	67%	67%	85%	62%	64%	71%	44%	64%	55%
<b>Total Gain(Loss)</b>	0.20	0.30	15.58	14.73	16.13	29.93	11.53	11.13	12.08	1.55	-15.00	0.55
<b>Average Gain (Loss)</b>	0.02	0.04	1.73	1.23	1.34	2.30	0.89	1.01	0.86	0.17	-1.36	0.05
<b># Higher Highs</b>	7	3	6	8	11	12	11	6	10	5	7	8
<b># Lower Lows</b>	2	2	0	2	2	1	1	2	1	2	2	2
<b><i>If Previous Month is Down then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	9	12	9	7	7	6	6	8	5	10	8	8
<b>#Up</b>	2	8	3	5	5	2	5	7	2	7	4	5
<b>#Down</b>	7	4	6	2	2	4	1	1	3	3	4	3
<b>% Closing Lower</b>	78%	33%	67%	29%	29%	67%	17%	13%	60%	30%	50%	38%
<b>Total Gain(Loss)</b>	-11.70	2.78	-12.45	4.60	3.90	-0.30	8.55	9.33	-3.18	7.85	-1.70	14.90
<b>Average Gain (Loss)</b>	-1.30	0.23	-1.25	0.66	0.56	-0.05	1.43	1.17	-0.63	0.79	-0.21	1.86
<b># Higher Highs</b>	0	1	2	1	2	2	1	2	0	4	5	2
<b># Lower Lows</b>	7	5	5	2	2	4	5	3	5	4	3	4

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# Monthly Lean Hogs Futures Performance Summary

	G January	J February	J March	M April	M May	N June	Q July	V August	V September	Z October	Z November	G December
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	9	8	10	10	11	9	11	7	15	4	10	8
# Down	9	11	9	9	8	10	8	11	3	15	9	11
Total Gain(Loss)	10.90	3.28	1.00	14.40	-13.08	-8.90	18.45	-29.85	60.85	-20.08	10.40	-10.10
Total % Gain(Loss)	36.05%	5.69%	2.63%	22.57%	-19.01%	-11.49%	30.16%	-52.66%	121.35%	-33.25%	7.61%	-18.22%
Average Change	0.57	0.17	0.05	0.76	-0.69	-0.47	0.97	-1.57	3.20	-1.06	0.55	-0.53
Average % Change	1.90%	0.30%	0.14%	1.19%	-1.00%	-0.60%	1.59%	-2.77%	6.39%	-1.75%	0.40%	-0.96%
Average Gain	4.24	2.93	3.76	3.71	2.33	3.81	3.71	2.65	4.43	2.97	4.19	1.86
Average % Gain	8.58%	4.87%	6.26%	5.60%	3.41%	5.86%	6.05%	4.97%	8.72%	5.38%	7.14%	3.49%
Average Loss	-3.03	-1.83	-4.06	-2.52	-4.83	-4.32	-2.80	-4.40	-1.88	-2.13	-3.50	-2.27
Average % Loss	-4.58%	-3.02%	-6.67%	-3.72%	-7.06%	-6.42%	-4.55%	-7.95%	-3.16%	-3.65%	-7.09%	-4.19%
Average Range	5.90	5.22	6.40	6.08	6.06	6.67	5.89	6.29	6.76	6.09	5.87	5.13
Average Range (%)	10.82%	8.85%	10.59%	8.99%	8.91%	10.02%	9.37%	11.12%	12.77%	10.72%	10.66%	9.25%
# Higher Highs	8	11	10	10	11	9	8	11	13	12	7	7
# Lower Lows	9	10	11	7	10	12	9	10	7	9	9	9
# Expanded Ranges	10	9	12	9	9	11	8	13	10	11	8	8
# Narrower Ranges	9	10	7	10	10	8	11	6	9	8	11	11
5 Year High	77.35	75.85	76.60	81.55	77.93	79.20	78.35	71.00	77.85	69.25	79.30	77.73
5 Year Low	48.85	51.50	49.43	50.25	45.65	46.25	47.60	29.78	29.40	38.33	42.60	50.35
10 Year High	79.25	75.85	76.60	86.60	85.78	84.83	82.55	76.00	77.85	69.25	79.30	80.30
10 Year Low	30.65	42.15	40.50	50.25	45.65	44.88	42.68	29.78	29.40	37.23	27.90	26.08
19 Year High	79.25	75.85	76.60	86.60	91.15	87.15	82.93	77.35	79.15	79.45	80.50	80.30
19 Year Low	30.65	42.15	40.50	50.25	45.65	44.88	42.68	29.78	29.40	37.23	27.90	26.08

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# Monthly Lean Hogs Trend Continuation Study

	J	J	M	M	N	Q	V	V	Z	Z	G	G
	January	February	March	April	May	June	July	August	September	October	November	December
<b>Yrs Tested</b>	19	19	19	19	19	19	19	19	19	19	19	19
<b># Up</b>	11	8	11	10	7	8	10	7	15	4	12	8
<b># Down</b>	8	11	8	9	12	11	8	11	4	15	7	11
<b>Total Gain (Loss)</b>	25.30	3.28	11.65	14.40	-25.43	-17.55	-0.10	-29.85	35.38	-20.08	14.05	-10.10
<b>Average Gain(Loss)</b>	1.33	0.17	0.61	0.76	-1.34	-0.92	-0.01	-1.57	1.86	-1.06	0.74	-0.53
<b><i>If Previous Month is Up, then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	11	8	11	10	7	8	10	7	15	4	12	8
<b>#Up</b>	4	6	6	5	3	3	3	6	3	2	5	3
<b>#Down</b>	7	2	5	5	4	5	7	1	12	2	7	5
<b>% Closing Higher</b>	36%	75%	55%	50%	43%	38%	30%	86%	20%	50%	42%	38%
<b>Total Gain(Loss)</b>	-4.25	14.75	14.65	-12.03	-7.58	-2.95	-23.85	17.23	-21.15	0.55	-11.40	-8.15
<b>Average Gain (Loss)</b>	-0.39	1.84	1.33	-1.20	-1.08	-0.37	-2.39	2.46	-1.41	0.14	-0.95	-1.02
<b># Higher Highs</b>	9	8	9	8	5	4	8	7	11	3	5	3
<b># Lower Lows</b>	3	2	0	4	4	3	6	2	5	1	4	5
<b><i>If Previous Month is Down then NEXT Month had the following Characteristics</i></b>												
<b>Yrs Tested</b>	8	11	8	9	12	11	8	11	4	15	7	10
<b>#Up</b>	4	4	4	6	6	8	4	9	1	8	3	6
<b>#Down</b>	4	7	4	3	6	3	4	2	3	7	4	4
<b>% Closing Lower</b>	50%	64%	50%	33%	50%	27%	50%	18%	75%	47%	57%	40%
<b>Total Gain(Loss)</b>	7.53	-13.75	-0.25	-1.05	-1.32	21.40	-6.00	43.63	1.08	9.85	1.30	19.05
<b>Average Gain (Loss)</b>	0.94	-1.25	-0.03	-0.12	-0.11	1.95	-0.75	3.97	0.27	0.66	0.19	1.73
<b># Higher Highs</b>	2	2	1	3	4	4	2	5	1	4	2	5
<b># Lower Lows</b>	7	9	7	6	8	6	4	5	4	8	5	4

Data compliments of [www.geckosoftware.com](http://www.geckosoftware.com) Past performance is not necessarily indicative of futures results.

Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# **APPENDIX IV**

## **Live Cattle Seasonal Price Charts**

- **February Contract**
- **April Contract**
- **June Contract**
- **August Contract**
- **October Contract**
- **December Contract**

## **Feeder Cattle Seasonal Price Charts**

- **January Contract**
- **March Contract**
- **April Contract**
- **May Contract**
- **August Contract**
- **October Contract**
- **November Contract**

## **Lean Hog Seasonal Price Charts**

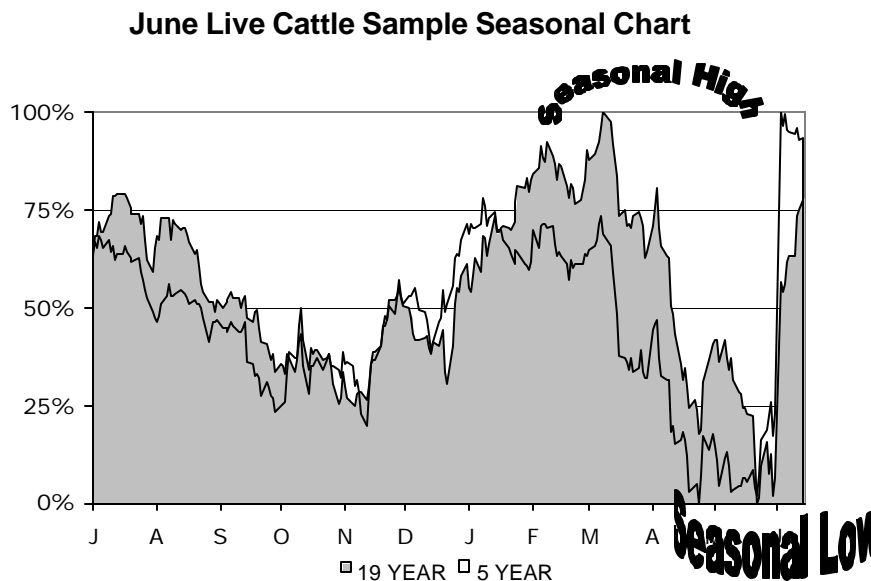
- **February Contract**
- **April Contract**
- **June Contract**
- **July Contract**
- **August Contract**
- **October Contract**
- **December Contract**

# Seasonal Charts

The seasonal charts depicted in this publication are a pictorial presentation of the normal behavior of the markets. The charts are made for specific contract months, so that the trader can see the behavior of the specific contract they are looking at. This detail is of the utmost importance in markets with new and old crop contracts, such as the grain futures markets.

The charts depict behavior on a relative basis, meaning the actual prices are not forecast, just the relative position of the market versus its contract high and low. On the seasonal charts, the high is depicted as 1.0, or 100%, while the low is depicted as 0.0 or 0%. Using a 12-month period, we rank all 19 years analyzed in terms of where each day falls as a percentage of the highest and lowest price of that 12-month period for each specific year. These prices are then averaged and the average is depicted in our charts for a 5 year period as well as the 19 year period.

To read the chart, just remember that the top of the chart is the forecasted contract high for the 12 months displayed and the bottom is the forecasted contract low.



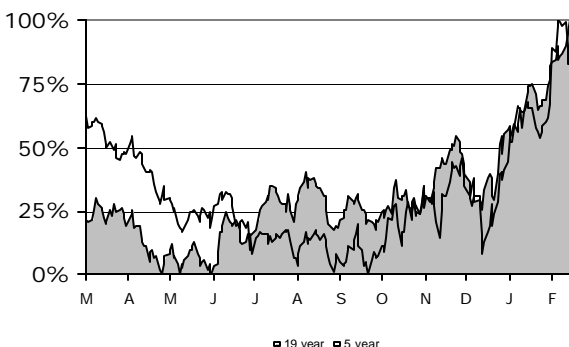
What these charts depict is the average behavior of the futures market. Similar to a map, the seasonal charts may be helpful in finding your direction and avoiding pitfalls. Trading using strictly the seasonal charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

Obviously, the markets will not follow the patterns exactly, but they can be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically rallied or broken, and they can act accordingly.

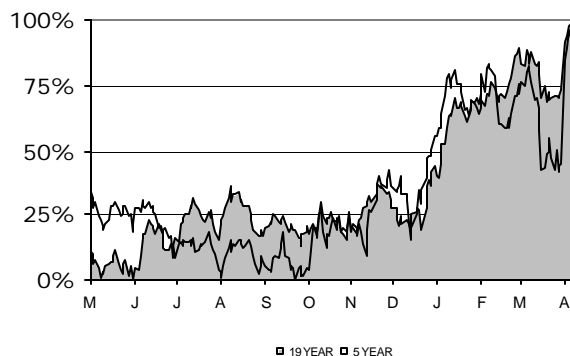
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Live Cattle Futures Seasonal Charts

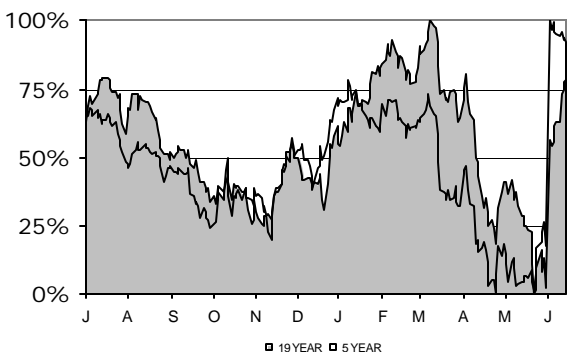
## February Live Cattle Seasonal Average



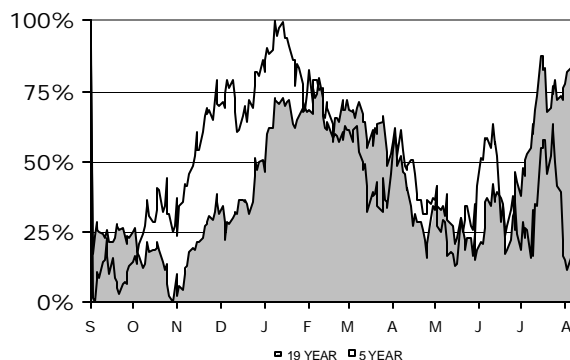
## April Live Cattle Seasonal Average



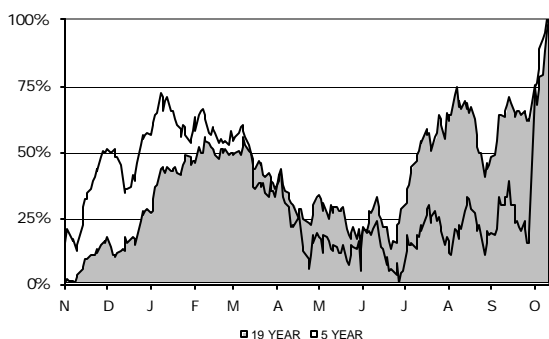
## June Live Cattle Seasonal Average



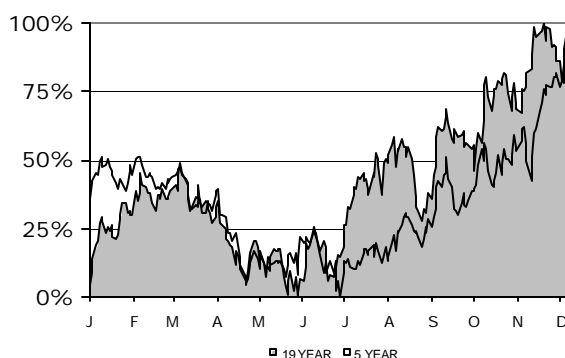
## August Live Cattle Seasonal Average



## October Live Cattle Seasonal Average



## December Live Cattle Seasonal Average

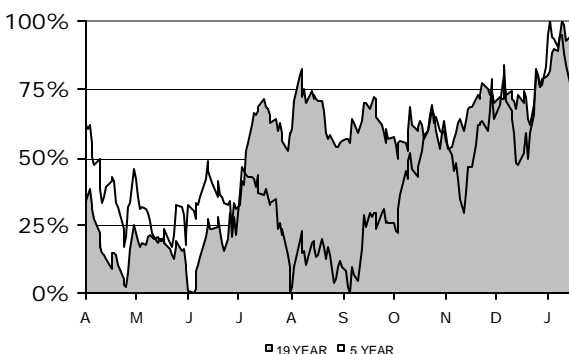


SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

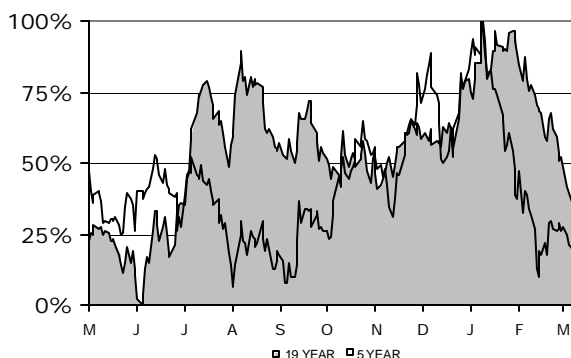


# Feeder Cattle Futures Seasonal Charts

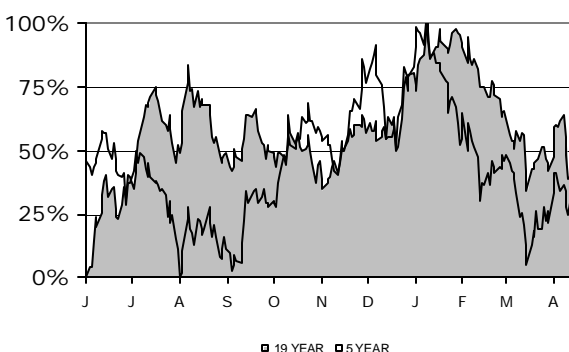
## January Feeder Cattle Seasonal Average



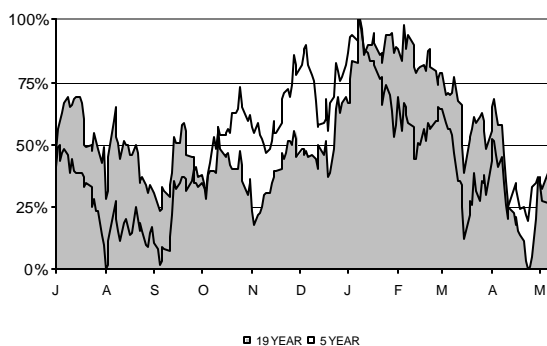
## March Feeder Cattle Seasonal Average



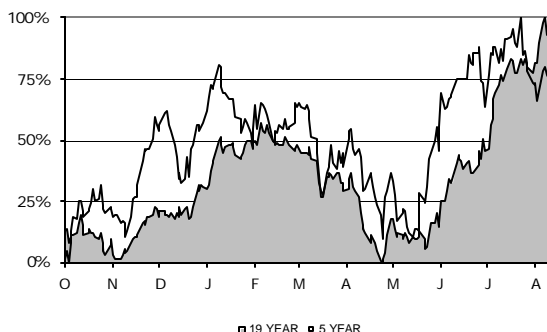
## April Feeder Cattle Seasonal Average



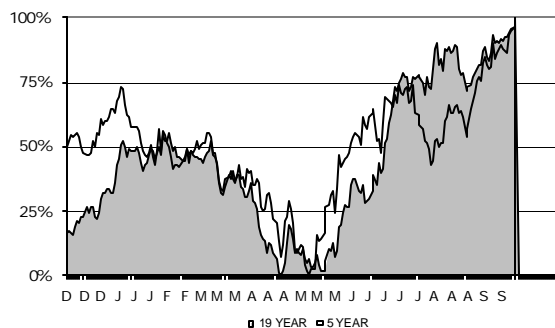
## May Feeder Cattle Seasonal Average



## August Feeder Cattle Seasonal Average



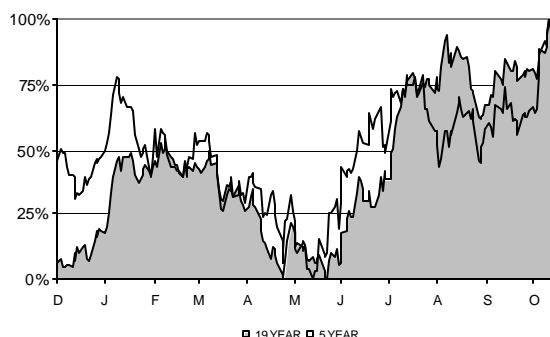
## September Feeder Cattle Seasonal Average



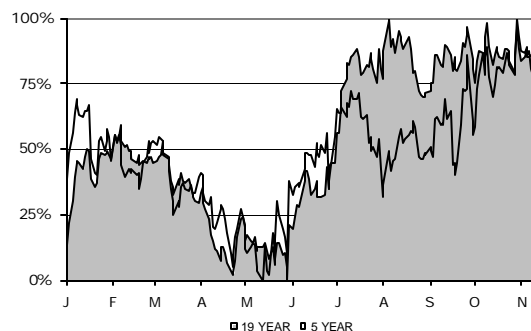
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Feeder Cattle Futures Seasonal Charts

## October Feeder Cattle Seasonal Average



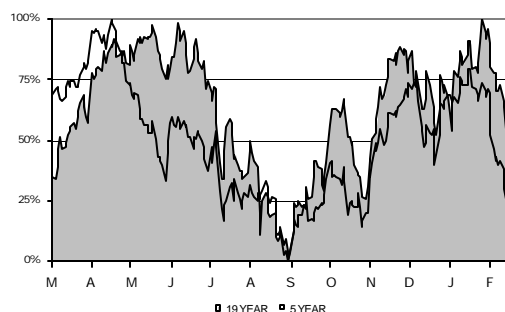
## November Feeder Cattle Seasonal Average



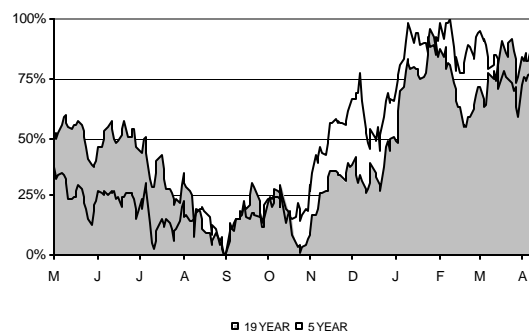
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Lean Hog Futures Seasonal Charts

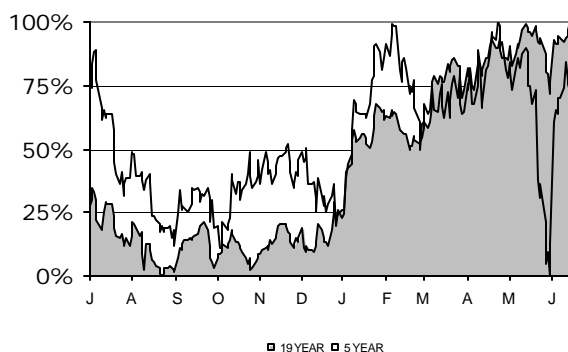
## February Lean Hog Seasonal Average



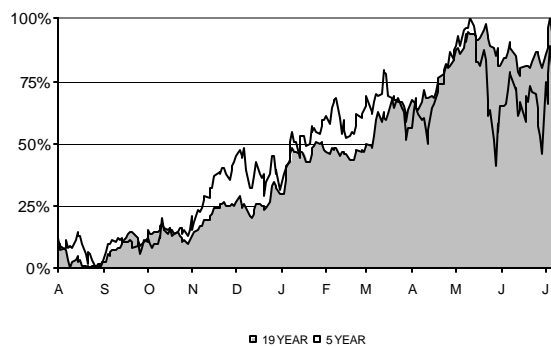
## April Lean Hog Seasonal Average



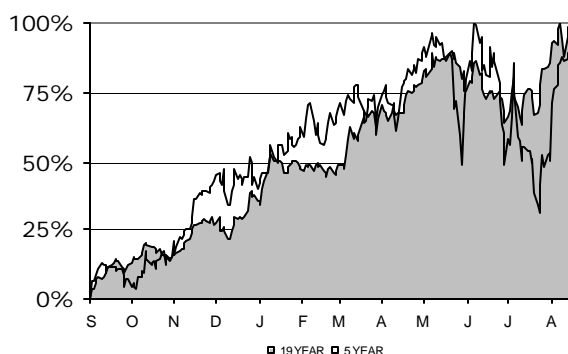
## June Lean Hog Seasonal Average



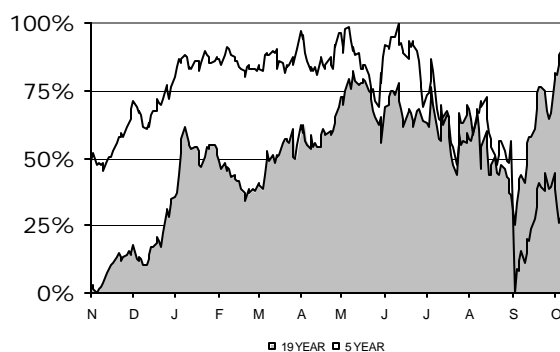
## July Lean Hog Seasonal Average



## August Lean Hog Seasonal Average



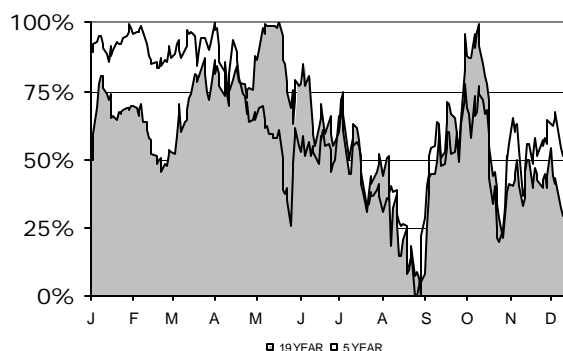
## October Lean Hog Seasonal Average



SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Lean Hog Futures Seasonal Charts

**December Lean Hog Seasonal Average**



SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# **APPENDIX V**

## **Live Cattle Seasonal Volatility Charts**

- February Contract
- April Contract
- June Contract
- August Contract
- October Contract
- December Contract

## **Feeder Cattle Seasonal Volatility Charts**

- January Contract
- March Contract
- April Contract
- May Contract
- August Contract
- October Contract
- November Contract

## **Lean Hog Seasonal Volatility Charts**

- February Contract
- April Contract
- June Contract
- July Contract
- August Contract
- October Contract
- December Contract

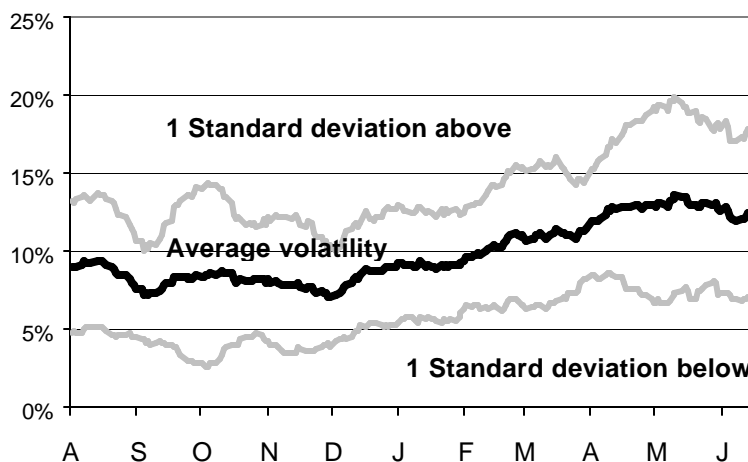
# Seasonal Volatility Charts

Historic volatility is the standard deviation of the day-to-day logarithmic closing price changes, expressed as an annualized percentage. Simply put, historical volatility is the degree to which prices fluctuate over a period.

All of the volatility measures presented here are 20 day average historical volatilities for the last 19-years. This information can help speculators watch for periods of volatility, knowing when prices should be volatile and when they should not, based on the past. Though the future (or futures/options) does not necessarily have to repeat the past, these charts can help you spot periods when volatility is normally high or low, and you can plan your future market operations accordingly. For options traders, this information can be invaluable, as volatility is a key component in pricing options.

The charts depict behavior on a average basis, meaning the average volatility is plotted as the dark center line. Above and below this average is plotted the standard deviation of the average volatility, giving traders a clue when current volatility is historically high of low.

**June Live Cattle Volatility Average**



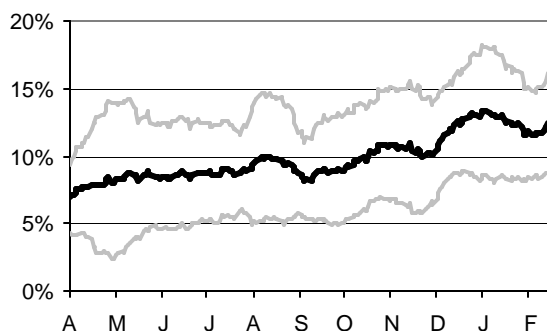
What these charts depict is the average behavior of the futures market. Similar to a map, the average volatility charts may be helpful in fine tuning stop losses, choosing to buy or sell options, as well as avoiding pitfalls. Trading using strictly the average volatility charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

Obviously, the markets will not follow these patterns exactly, but they can be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically been wild or quiet, and they can act accordingly.

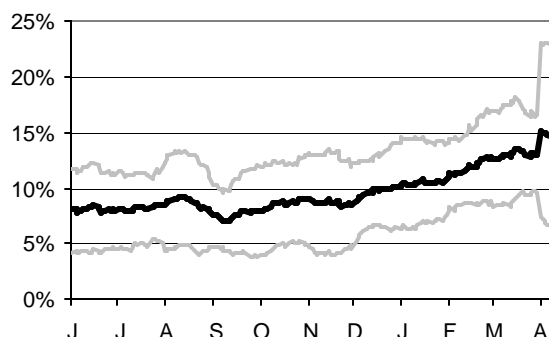
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Live Cattle Futures Seasonal Volatility Charts

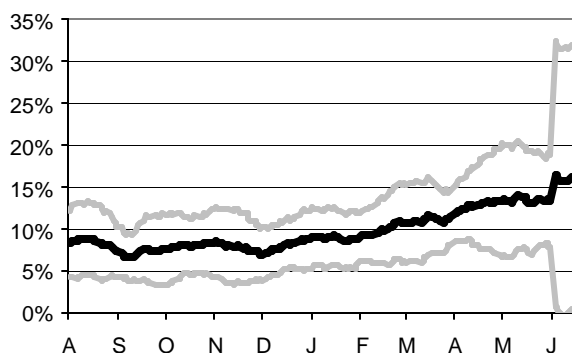
## February Live Cattle Volatility Average



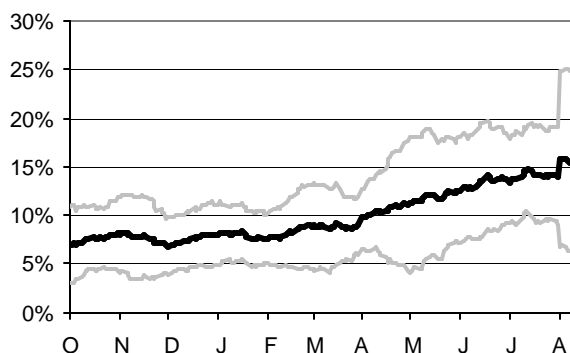
## April Live Cattle Volatility Average



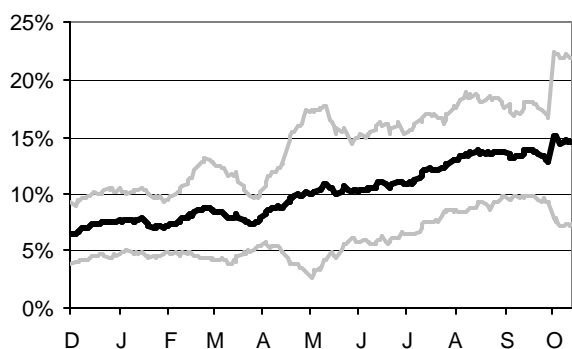
## June Live Cattle Volatility Average



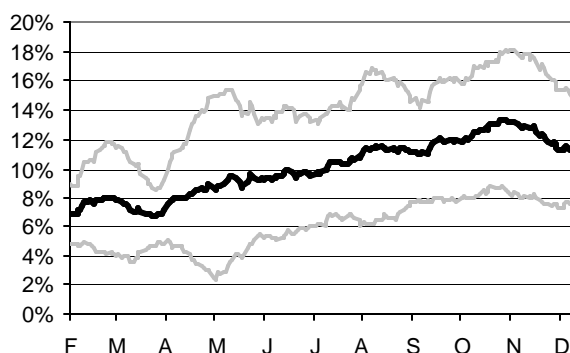
## August Live Cattle Volatility Average



## October Live Cattle Volatility Average



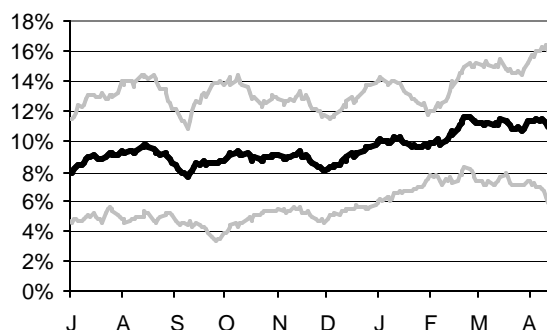
## December Live Cattle Volatility Average



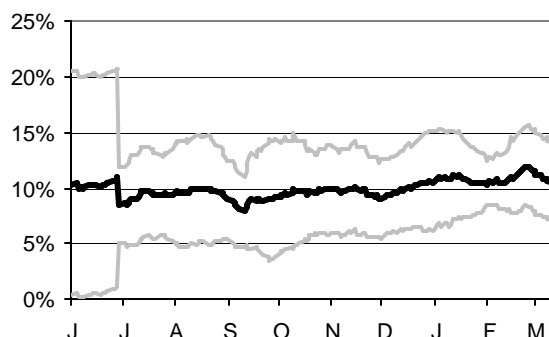
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Feeder Cattle Futures Seasonal Volatility Charts

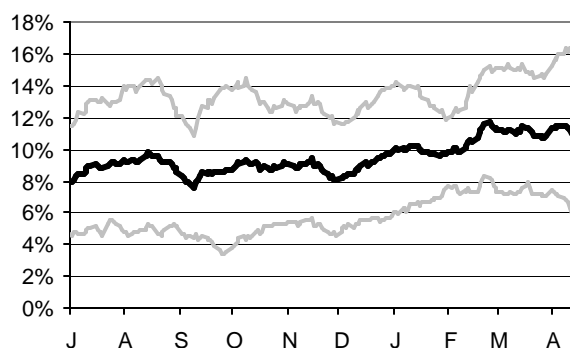
**January Feeder Cattle Volatility Average**



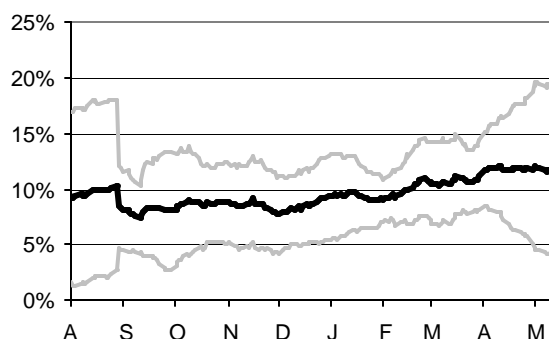
**March Feeder Cattle Volatility Average**



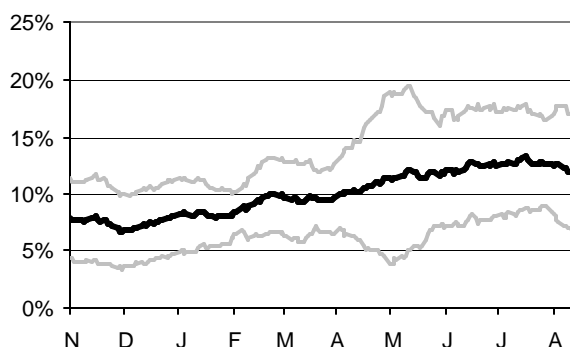
**April Feeder Cattle Volatility Average**



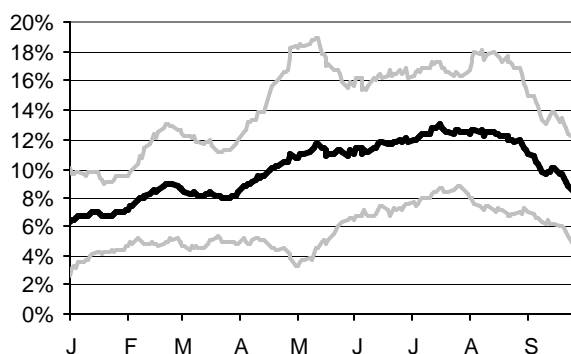
**May Feeder Cattle Volatility Average**



**August Feeder Cattle Volatility Average**



**September Feeder Cattle Volatility Average**

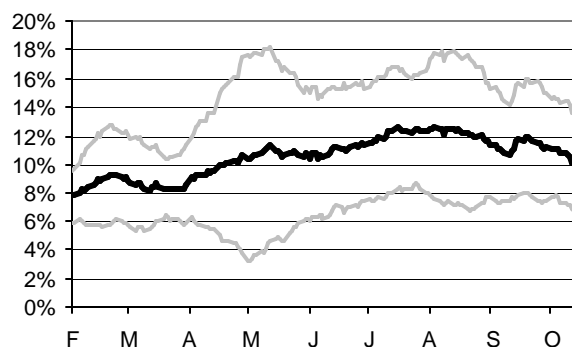


SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

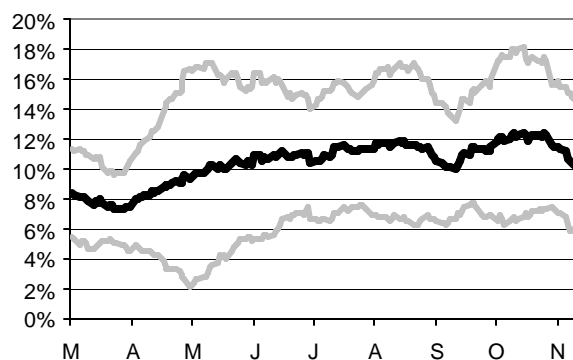


# Feeder Cattle Futures Seasonal Volatility Charts

October Feeder Cattle Volatility Average



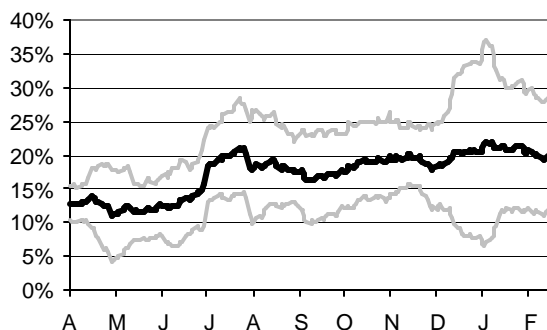
November Feeder Cattle Volatility Average



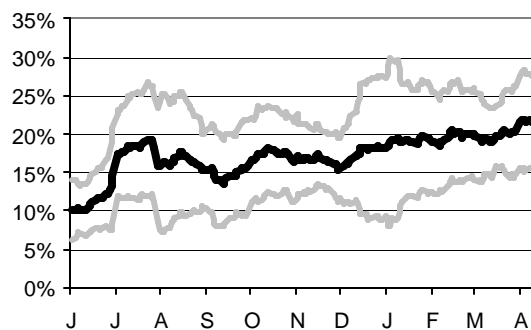
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Lean Hog Futures Seasonal Volatility Charts

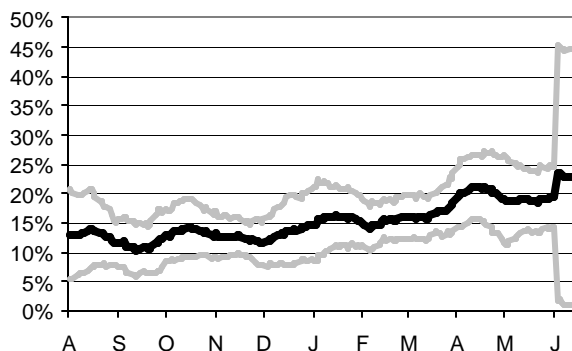
**February Lean Hog Volatility Average**



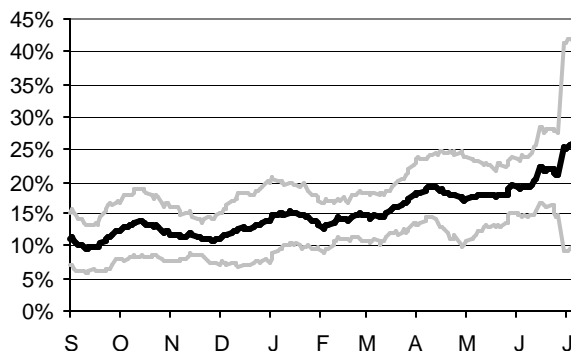
**April Lean Hog Volatility Average**



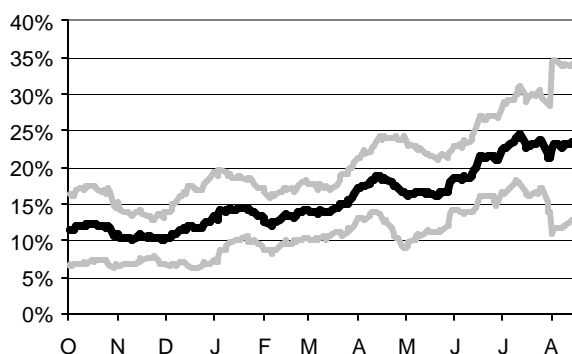
**June Lean Hog Volatility Average**



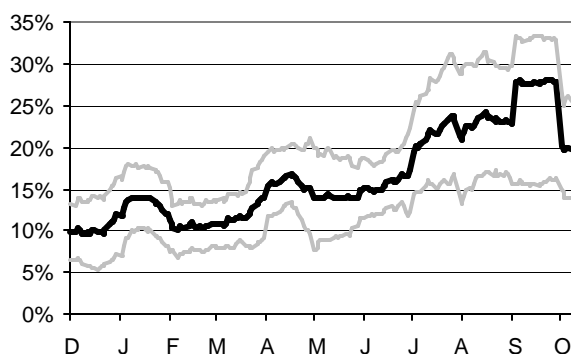
**July Lean Hog Volatility Average**



**August Lean Hog Volatility Average**



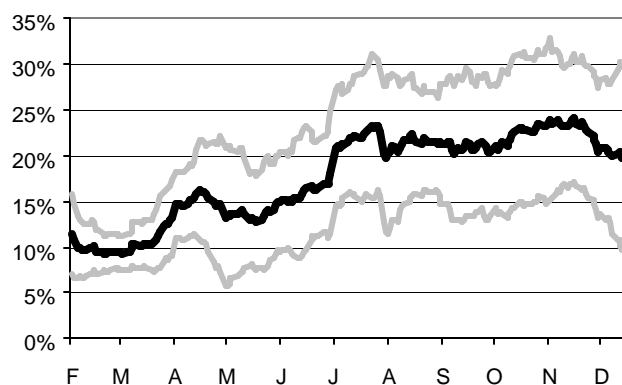
**October Lean Hog Volatility Average**



SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# Lean Hog Futures Seasonal Charts

December Lean Hog Volatility Average



SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

## This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.