

Summary of overnight US trading session

Symbol	Market	Settlement	24hr change	24hr change %	Open*	Low*	High*
INDU Index	DOW JONES INDUS. AVG	12170.56	84.54	0.01	12087.54	12087.54	12191.18
SPX Index	S&P 500 INDEX	1309.66	12.12	0.01	1300.61	1297.74	1311.34
NDX Index	NASDAQ 100 STOCK INDX	2312.09	41.59	0.02	2287.01	2275.65	2315.56
VIX Index	COBO SPX VOLATILITY INDX	18	1.17	0.06	18.45	17.87	18.99
GCJ1 Comdty	GOLD 100 OZ FUTR Apr11	1432.9	2.00	0.00	1433.5	1430.7	1433.5
SIA Comdty	SILVER FUTURE May11	37.330	0.045	0.00	37.16	37.155	37.47
CLA Comdty	WTI CRUDE FUTURE May11	105.42	0.18	0.00	105.46	105.26	105.59
NGJ1 Comdty	NATURAL GAS FUTR Apr11	4.235	0.009	0.00	4.23	4.219	4.25
HOJ1 Comdty	HEATING OIL FUTR Apr11	307.43	1.23	0.00	307	307	307.43
W K1 Comdty	WHEAT FUTURE(CBT) May11	742.750	3.250	0.00	739.5	737	744
C K1 Comdty	CORN FUTURE May11	704.750	2.250	0.00	702.75	702.25	704.75
S K1 Comdty	SOYBEAN FUTURE May11	1360.000	5.500	0.00	1356.500	1356.000	1361.500
KCK1 Comdty	COFFEE 'C' FUTURE May11	265.8	2.80	0.01	268.4	260.55	268.95
JOK1 Comdty	FCOJ-A FUTURE May11	161.8	2.30	0.01	160.5	159.8	162.5
CCK1 Comdty	COCOA FUTURE May11	3203	48.00	0.01	3236	3176	3240
SBK1 Comdty	SUGAR #11 (WORLD) May11	27.45	0.87	0.03	26.5	26.32	27.8
CTK1 Comdty	COTTON NO.2 FUTR May11	208.82	6.95	0.03	202.29	196.87	208.87
LCJ1 Comdty	LIVE CATTLE FUTR Apr11	115.925	0.10	0.00	115.925	115.700	116.025
DX Index	DOLLAR INDEX SPOT	75.708	0.03	0.00	75.69901	75.672	75.71101

US Stocks

U.S. stocks advanced, sending the Standard & Poor's 500 Index higher for a second day, after corporate profit topped analysts' estimates and a government report showed a decline in jobless claims. Micron Technology Inc., the biggest U.S. producer of computer-memory chips, rose 8.4 percent and Linux-software maker Red Hat Inc. surged 18 percent after earnings beat analysts' estimates. GameStop Corp. jumped 2.9 percent as the largest video-game retailer forecast profit above analyst's projections. Amazon.com Inc. gained 3.5 percent after William Blair & Co. raised its rating for the world's biggest online retailer. The S&P 500 advanced 0.9 percent to 1,309.66 at 4 p.m. in New York, the highest level in two weeks. The Dow Jones Industrial Average advanced 84.54 points, or 0.7 percent, to 12,170.56. The benchmark measure of U.S. stock options completed its biggest six-day drop since November 2008. "There's no shortage of cheap stocks," Leon Cooperman, chairman of hedge fund Omega Advisors Inc. said in an interview today with Bloomberg Television at the Strategas Global Macro Conference in New York. "You have good profits and good economic growth. You have good valuations and conservative posture." The S&P 500 has advanced 4.1 percent in 2011, extending last year's 13 percent rally, amid government stimulus measures and as companies reported earnings that topped analysts' estimates for the eighth straight quarter. The benchmark index is trading at 15.4 times reported earnings, compared with the average ratio of 19.7 at bull-market peaks.

Fewer Americans filed applications for unemployment benefits last week, signaling the labor market is mending. Jobless claims declined by 5,000 to 382,000, Labor Department figures showed, in line with the median forecast of economists surveyed by Bloomberg News. The total number of people receiving benefits dropped to the lowest level in almost three years. "The economy is improving and this is a good environment for corporate profits," said David Kelly, who helps oversee \$450 billion as chief market

strategist at JPMorgan Funds in New York. "The latest numbers suggest an advance in the U.S. economy. Investors are buying the idea that even though there are many headwinds, if you believe the economy will grow, then stocks are cheap." Global stocks rose for a sixth day, the longest rally for the MSCI World Index since September, amid speculation the need for European Union bailouts may end with Portugal. European leaders meet in Brussels today after Portugal's parliament rejected budget-cutting measures, pushing the country closer to needing an EU rescue.

The VIX, as the Chicago Board Options Exchange Volatility Index is known, fell 6.1 percent to 18, extending its drop since March 16 to 39 percent. That's the biggest drop over the same number of days in 28 months. The VIX needed to fall below 17.53 to beat the six-day record set two months after Lehman Brothers Holdings Inc.'s September 2008 bankruptcy sent stocks plunging. Micron Technology jumped 8.4 percent to \$11.50. Second-quarter sales and profit beat analysts' estimates on increasing demand for chips used to store data on mobile phones and tablets. Revenue climbed 15 percent to \$2.26 billion in the period that ended March 3. That compared with \$2.1 billion, the average of predictions compiled by Bloomberg. Red Hat gained 18 percent, the most in the S&P 500, to \$47.26. The largest seller of the Linux operating system posted a profit of 26 cents a share excluding some items, beating the 22 cent average of 22 estimates in a Bloomberg survey, as customers updating data centers to take advantage of cloud computing boosted billings.

GameStop rose 2.9 percent to \$21.73. The world's largest video-game retailer forecast first-quarter profit excluding some items of at least 53 cents a share, beating the average analyst estimate of 52 cents in a Bloomberg survey. Amazon.com added 3.5 percent to \$171.10 after being raised to "outperform" from "market perform" at William Blair by equity analyst Mark Miller. Bank of America Corp. sank 1.3 percent to \$13.48. The biggest U.S. lender was cut to "market perform" from "outperform" at FBR Capital Markets. The bank may not have the earnings power to be in compliance with the new capital requirements, analyst Paul Miller said in a note. Trading in U.S. stocks, which fell to the slowest pace this year, is poised to contract because Citigroup Inc.'s reverse stock split may take out about one-tenth of the volume, according to Birinyi Associates Inc. New York Stock Exchange volume declined to 3.75 billion shares on March 22 and 3.97 billion shares yesterday, the second and the sixth-slowest trading days this year, respectively, Bloomberg data show. "We won't be surprised when we read in a few weeks that volume is declining and how this is a negative signal for equities," Jeffrey Yale Rubin, Birinyi's director of research, wrote in a note yesterday. "Just be aware that it's because of a structural change and not a 'real' decline in volume."

### Precious Metals

Gold futures fell as some investors sold the metal on speculation that a six-day rally to a record was overdone. Gold in New York jumped to a record of \$1,448.60 an ounce, before declining, as turmoil in Libya, Japan and Europe spurred demand for the precious metal as an alternative investment. The previous record was \$1,445.70 on March 7. "There's not really a change in sentiment," said Adam Klopfenstein, a senior market strategist at Lind-Waldock in Chicago. "Technically, gold is overextended. There was no follow-through above \$1,450, so a lot of people came in and dumped it." Gold futures for April delivery fell \$3.10, or 0.2 percent, to settle at \$1,434.90 at 1:50 p.m. on the Comex in New York. In London, gold for immediately delivery climbed to a record of \$1,447.82. The metal's seven-day relative strength index neared 70, a signal to some traders that the price is poised to fall. U.S. and allied warplanes carried out further strikes against Libyan leader Muammar Qaddafi's ground forces and hit an air base deep inside the country. Moody's Investors Service cut the ratings of 30 Spanish banks, and Portugal's prime minister offered to resign amid a debt crisis. Japanese equities fell as the world's third-largest economy recovers from an earthquake.

"Geopolitical risk remains very high," said Matthew Zeman, a market strategist at Kingsview Financial in Chicago. "You need to be owning gold as Middle East unrest is spreading. There's renewed debt concern in the euro zone and continued uncertainty in Japan." Silver futures, which have more than doubled in the past year, touched \$38.18 an ounce in New York, the highest since February 1980. "Gold and silver are justifying their reputation as safe havens," Carsten Fritsch, an analyst at Commerzbank AG in Frankfurt, said in a report. "In addition to the war in Libya, the unrest in the Arab region and the disaster

in Japan, the debt crisis in euro-zone periphery countries has also returned with a vengeance. Gold and silver are likely to profit further." Gold will rise to \$5,000 in the next three to four years as governments across the globe fuel money supply and raise the prospect of currency debasement, Robert McEwen, the chief executive officer of miner U.S. Gold Corp., told Bloomberg Television.

The precious metal is in for a "big cycle," McEwen said. Portugal's debt problems and a possible bailout by the European Union "means more uncertainties for financial markets and is positive for gold prices," he said. Gold rallied 30 percent in 2010, the 10th straight annual gain, as governments kept interest rates low to spur growth. Silver futures for May delivery rose 17.7 cents, or 0.5 percent, to \$37.375 on the Comex. The metal reached a record \$50.35 in 1980. Silver's gain is due to "continuing strong industrial and investment demand and tight supply," analysts at GoldCore Ltd. in Dublin said in an e-mail. "Many investors are seeing silver as a cheaper safe-haven substitute than gold. Silver looks set to target \$40 an ounce, and in the longer term, many investors see the record highs as a very viable price target."

## Energy

Oil traded near a two-day low in New York as signs of weakening demand in the U.S. and Europe overshadowed concerns that the conflict in Libya and unrest in the Middle East threaten crude supplies. Futures dropped from the highest price in more than two years yesterday after Fitch Ratings cut Portugal's credit ranking and U.S. durable goods orders unexpectedly fell. Allied warplanes carried out further strikes against ground forces loyal to Libyan leader Muammar Qaddafi. Regional unrest has toppled the leaders of Tunisia and Egypt and extended to Yemen, Bahrain and Syria. "We can't support \$100 oil, and that's becoming more and more evident as we see these economic figures come out from Europe and the U.S.," said Carl Larry, president of Oil Outlooks & Opinions LLC in Houston. "We saw the highs, and we couldn't press through." Crude for May delivery traded at \$105.55 a barrel, down 5 cents, in electronic trading on the New York Mercantile Exchange at 9:42 a.m. Sydney time. Yesterday, it slid 15 cents to settle at \$105.60. The contract reached \$105.75 on March 23, the highest since Sept. 26, 2008. Prices are up 4.4 percent for the week and 31 percent higher than a year ago. Brent oil for May settlement gained 17 cents, or 0.2 percent, to \$115.72 a barrel on the London-based ICE Futures Europe exchange yesterday. It was the highest closing price since March 9.

Fitch downgraded Portugal's long-term foreign and local currency issuer default ratings by two levels to 'A-' and its short-term issuer default ratings to "good" from "highest" credit quality. Portugal may require a bailout of as much as 70 billion euros (\$99 billion), said two European officials with direct knowledge of the matter. The EU lent 177.5 billion euros last year to Greece and Ireland to avert defaults, triggering a backlash in Europe's better-off countries, such as Germany. Fitch announced its ratings cut as a summit of European Union leaders got under way in Brussels to discuss the situation. Portuguese Prime Minister Jose Socrates resigned before the meeting after plans to cut the budget were rejected by parliament. Orders for long-lasting goods in the U.S. unexpectedly dropped 0.9 percent in February after a 3.6 percent gain the prior month that was higher than initially reported, the Commerce Department said yesterday in Washington.

German Chancellor Angela Merkel called for a boycott of Libyan crude as a way to stop finance flows to the regime of Qaddafi. There should be "no more oil exports from Libya to European countries," Merkel told lawmakers in Berlin in a speech on the European Union summit that began yesterday. Oil supplies from Libya, Africa's third-largest producer, collapsed to a "trickle" last week from 1.6 million barrels a day in January and may be halted for months because of sanctions, the International Energy Agency estimates. Shipments from the Organization of Petroleum Exporting Countries will drop to the lowest level since October as the fighting in Libya halts exports, according to tanker-tracker Oil Movements. Exports will fall to 23.03 million barrels a day in the four weeks to April 9, down 1.8 percent from 23.46 million in the period ended March 12, the consultant said in a report yesterday. The data exclude Ecuador and Angola. OPEC members are more likely than at any time in the past two years to agree to a formal supply increase when they meet in June because of a forecast for a "sustained" supply disruption, according to David Kirsch, a Kansas City, Kansas-based analyst with PFC Energy. Natural gas futures dropped for the first time in three days in New York after a government report showed that U.S. stockpiles fell less than expected last week. Futures declined as much as 2.8 percent after the Energy Department

reported inventories slipped 6 billion cubic feet in the week ended March 18 to 1.612 trillion cubic feet. Analyst estimates compiled by Bloomberg and a separate survey of Bloomberg users each predicted a decrease of 8 billion. "Given the run-up we've had this week, we're seeing a release of some of that buying pressure," said Kent Bayazitoglu, an analyst with Gelber & Associates in Houston. "We expected prices to fall off after the storage report if the number was within expectations." Natural gas for April delivery fell 9.1 cents, or 2.1 percent, to settle at \$4.244 per million British thermal units on the New York Mercantile Exchange, the biggest one-day drop since March 10. The futures have declined 3.7 percent this year and are up 1.8 percent this week. Gas had climbed above the upper Bollinger band, signaling prices would fall, said Peter Beutel, the president of Cameron Hanover Inc. in New Canaan, Connecticut, in a note to clients today. Some traders use Bollinger bands, developed by technical analyst John Bollinger, to judge support and resistance levels based on moving averages. The stockpile decrease was smaller than the five-year average withdrawal for the week of 17 billion cubic feet, department data show. A surplus to the five-year average rose to 2.2 percent from 1.4 percent the previous week. A surplus to year-earlier supplies was erased, leaving a 0.7 percent deficit. Gas inventories have been above the five-year average since the week ended March 4.

Normal or above-normal temperatures are likely across most of the continental U.S. from April 3 through April 7, according to Commodity Weather Group LLC in Bethesda, Maryland. The mild weather may reduce demand for the heating fuel. The low temperature in New York on April 4 may be 44 degrees Fahrenheit (7 Celsius), 4 above normal, according to AccuWeather Inc. in State College, Pennsylvania. The low in Chicago may be 40 degrees Fahrenheit, also 4 above normal. Heating demand in the Northeast may be 6 percent below normal on March 31, David Salmon, a meteorologist with Weather Derivatives in Belton, Missouri, said in a note to clients today. About 52 percent of U.S. households use natural gas for heating, according to the Energy Department.

Orders for durable, or long-lasting, goods unexpectedly fell in February, raising concern over the sustainability of the rebound in U.S. business investment. Gas traders monitor economic data to determine whether an acceleration in the recovery may boost industrial demand for the fuel. Bookings for goods meant to last at least three years dropped 0.9 percent after a 3.6 percent gain the prior month that was larger than initially reported, the Commerce Department said today in Washington. Gas futures volume in electronic trading on the Nymex was 360,118 as of 2:38 p.m., compared with the three-month average of 305,000. Volume was 360,602 yesterday. Open interest was 893,452 contracts. The three-month average open interest is 878,000. The exchange has a one-business-day delay in reporting open interest and full volume data.

Rising Japanese demand for liquefied natural gas after the country's worst earthquake on record may draw cargoes away from the U.S., ending a three-year slide in prices. The March 11 quake and resulting tsunami disabled about 25 percent of Japan's nuclear power capacity, according to Goldman Sachs Group Inc. The country boosted spot imports of LNG from the Atlantic Basin fivefold after a 2007 earthquake shut the Kashiwazaki-Kariwa nuclear plant. An increase in Japan's gas demand now may cut U.S. LNG imports by about 46 percent, according to Barclays Capital. Natural gas in New York rose 7.2 percent last week, the biggest five-day gain since the end of December, on speculation Japan will need alternative fuels to compensate for lost nuclear power. Prices had fallen to their lowest level for any winter in the past nine years as surging U.S. production swelled inventories, making it more attractive for electricity companies to switch away from coal. "The situation in Japan provides a fundamental hook for sentiment to recover in the gas market," said Tim Evans, an energy analyst at Citi Futures Perspective in New York. "When you take into account the potential impact of switching from coal, it adds up to a material impact on natural-gas supplies." Natural gas for April delivery on the New York Mercantile Exchange fell 9.1 cents, or 2.1 percent, to settle at \$4.244 per million British thermal units, the first decline in three days. The fuel has gained 3.4 percent from a year ago. Coal prices have climbed 34 percent.

Gas demand may rise by 1.25 billion cubic feet a day in the Southeast alone as plants turn away from coal, Credit Suisse said in a Feb. 28 note. That's equivalent to about 1.9 percent of total U.S. consumption, based on data from the Energy Department in Washington. "Natural gas continues to make inroads in displacing coal-fired generation," analysts led by New York-based Teri Viswanath said. Gas may average \$4.40 per million British thermal units in 2011, Jan Stuart, an analyst with Macquarie

Group Ltd. in New York, said in an e-mail on March 21. If gas shipments are diverted to Japan, U.S. LNG supplies may decline by 500 million cubic feet a day, according to James R. Crandell, an analyst with Barclays Capital in New York. The U.S. gas market is oversupplied by about 3 billion cubic feet a day, Crandell said. About 1.7 percent of U.S. gas supply comes from LNG, according to Energy Department estimates.

Japan "is going to sop up global LNG imports at least for the next year or so," said Martin King, senior commodity analyst at FirstEnergy Capital Corp. in Calgary. Japan is the biggest user of LNG, accounting for 35 percent of global trade in 2009, according to BP Plc. LNG accounts for 17 percent of Japan's heating and power needs. U.S. gas inventories as of March 11 totaled 1.618 trillion cubic feet, 1.4 percent above the five-year average. Production may reach a record this year as onshore output rises, according to Energy Department estimates. The March 11 tsunami crippled Tokyo Electric Power Co.'s Fukushima Dai-Ichi nuclear power complex. Workers have been battling to prevent a meltdown at the plant after losing power that helps circulate cooling water to the reactors. Five kinds of radioactive materials released by damaged fuel rods were detected in the sea, Tokyo Electric said March 22.

U.S. nuclear power generation may drop because of increased regulatory scrutiny, boosting gas demand by 270 million cubic feet a day, Pearce Hammond, an analyst with Simmons & Co. International in Houston, said in a note to clients on March 17. That's about 0.4 percent of the nation's gas consumption, according to Energy Department data. "Near term, extended atomic outages are likely, burning off more" natural gas, Drew Wozniak, vice president of market research and analysis for ICAP Energy in Louisville, Kentucky, said in a note to clients March 18. "These are real, bullish fundamentals that have long-term consequences." The U.S. will conduct a 90-day review of safety at the country's 104 reactors following the disaster in Japan, Bill Borchardt, executive director for operations at the Washington-based U.S. Nuclear Regulatory Commission, said during a March 21 meeting at the agency's headquarters in Rockville, Maryland. The reactor closest to New York City, Entergy Corp.'s Indian Point plant in Buchanan, is safe, and its design makes an accident similar to Japan's unlikely, federal officials told the state's lieutenant governor, Robert Duffy, on March 22. Indian Point is about 35 miles (56 kilometers) north of midtown Manhattan.

A decline in natural-gas drilling has also bolstered the gas market as energy companies focus on pumping more higher-priced crude oil. U.S. natural gas rigs last week slid to the lowest level since Jan. 29, 2010, while those dedicated to oil rose to the most since at least 1987, according to Baker Hughes Inc. Oil futures have climbed 29 percent from a year ago. The gas rig count dropped in six of the past seven weeks. The decline in the rig count is "possibly our first sign of producer restraint," Stefan Revielle, an analyst with Credit Suisse in New York, said in a March 18 note.

## Grains

Wheat futures rose the most in a week on unexpected demand from China for exports from the U.S., the world's largest shipper of the grain. China, the world's biggest consumer, bought 116,000 metric tons from the U.S. in the week ended March 17, the most for any week since July 2005, Department of Agriculture data showed today. Wheat traded in Zhengzhou jumped to a record last month on speculation that drought would cut domestic supplies. Rains and irrigation have since eased some supply concerns. "From a regional standpoint, if China's having a problem in their central and northern growing belts, it would probably show up first in wheat" crops because the growing season is earlier than for corn, said Mike Zuzolo, the president of Global Commodity Analytics & Consulting in Lafayette, Indiana. China also may be buying to cool food inflation, he said. Wheat futures for May delivery climbed 25.25 cents, or 3.5 percent, to settle at \$7.395 a bushel at 1:15 p.m. on the Chicago Board of Trade, the biggest gain for a most-active contract since March 17. The price has surged 55 percent in the past year as drought spurred Russia to ban grain exports, while floods eroded crops in Canada and Australia. Worldwide food expenses reached a record last month, the United Nations said. Chinese food costs jumped 11 percent in February from a year earlier. The country is expected to be self-sufficient in wheat this year after becoming a net importer in 2010 for the first time in five years, according to the USDA. China in 2010 was a net importer of corn for the first time in 14 years, USDA data show.

"Based on my experience, if you're really expecting China to buy corn, you'd expect them to buy wheat first," Zuzolo said. "Their policy is to try to keep more corn in-house, not export it, but not import it either. Their policy is more prone to bringing in wheat than it is corn." China's purchase announced today included 90,000 tons of the hard, red spring variety, 20,000 tons of white wheat, and 6,000 tons of soft, red winter wheat, the USDA said. Spring wheat, grown in the north central and northwest U.S., is used to make bread. White wheat is for bread and noodles, while the soft, red winter variety is for cookies and pastries. The amount was a "surprise," said Larry Glenn, an analyst at Frontier Ag in Quinter, Kansas. Futures also gained on speculation that the U.S. Great Plains won't get sufficient rain to relieve dry conditions, Glenn said. Texas is having its worst drought in 44 years, according to the state climatologist, and dry weather stretches to Oklahoma, Colorado and Kansas. Some areas may get 0.5 inch (1.3 centimeters) of rain in the next week, Commodity Weather Group said. "We do have some moisture headed at the Plains states, but I don't think it's going to be enough," Glenn said. Wheat was the fourth-biggest U.S. crop in 2010 at \$13 billion, behind corn, soybeans and hay, government data show.

Corn rose for the fifth time in six sessions as cool, wet weather threatened to delay planting and reduce yields in U.S., the world's biggest grower and exporter. Snow, rain and temperatures as much as 20 degrees Fahrenheit (11 degrees in Celsius) below normal the next five days will prevent saturated fields from drying across the northern Great Plains and Midwest, said Gail Martell, the president of MartellCropProjections.com in Whitefish Bay, Wisconsin. Colder ocean temperatures off the U.S. West Coast may extend that pattern into April, Martel said in a report. "There will be planting delays this year with the current weather forecasts," said Jim Gerlach, the president of A/C Trading Inc. in Fowler, Indiana. "Planting pace will be the key to price direction this coming spring." Corn futures for May delivery rose 9.5 cents, or 1.4 percent, to \$6.905 a bushel at 11:17 a.m. on the Chicago Board of Trade. Before today, the most-active contract surged 88 percent in the past year, partly as U.S. reserve inventories were forecast to fall to 15-year low before the 2011 harvest. Corn is the biggest U.S. crop, valued at \$66.7 billion in 2010, government figures show.

Soybean futures rose for the sixth time in seven sessions on speculation that higher returns for planting corn and cotton will reduce the area sown in the U.S., the biggest producer and exporter. Soybean plantings will drop 1.9 percent from last year to 75.944 million acres, Chicago-based Linn Group said. Corn and cotton acres will rise, the commodity researcher and asset manager said. The oilseed has gained 41 percent in the past year, while cotton has more than doubled, and corn surged 92 percent. "Farmers are going to plant less soybeans this year, and that is supporting the market," said Chad Henderson, a market analyst for Prime Agricultural Consultants Inc. in Brookfield, Wisconsin. "Soybeans are just trying to catch up with corn and cotton to prevent a bigger shift." Soybean futures for May delivery rose 3.25 cents, or 0.2 percent, to close at \$13.545 a bushel on the Chicago Board of Trade. Earlier, the price fell 1 percent to \$13.38, the lowest since March 18. Soybeans, valued at \$38.9 billion in 2010, are the biggest U.S. crop after corn, government data show.

Canada may produce 24.9 million metric tons of wheat in the year starting Aug. 1, up from 23.167 million a year earlier, a unit of the U.S. Department of Agriculture said in a report posted today on its website. Barley production may rise to 8.6 million tons from 7.605 million, the USDA's Foreign Agricultural Service said. Oat output may climb to 3.1 million tons from 2.298 million. Corn production may drop to 11.2 million tons in the year beginning Sept. 1 from 11.715 million a year earlier, the agency said.

## Softs

Arabica coffee fell to a five-week low on signs that global supplies are rising as the rally that nearly doubled prices in the past year may curb demand. Cocoa also dropped. Arabica inventories monitored by ICE Futures U.S. have increased for two straight weeks, the first back-to-back gain since December 2009. Prices have surged as adverse weather threatened crops amid rising demand. Consumption may slow as companies pass costs to customers, Starbucks Corp. Chief Executive Officer Howard Schultz said last week. "We could potentially see some more supply coming up," said Mu Li, a commodity analyst at CPM Group in New York. "There may also be concerns about consumption being dented by prices." Arabica-coffee futures for May delivery dropped 2.8 cents, or 1 percent, to settle at \$2.658 a pound at 2 p.m. on ICE in New York. Earlier, the price reached \$2.6055, the lowest for a most-active contract since

Feb. 16. In London, robusta-coffee futures for May delivery gained \$31, or 1.2 percent, to \$2,569 a metric ton on NYSE Liffe. Cocoa futures for May delivery fell \$48, or 1.5 percent, to \$3,203 a ton on ICE. In London, cocoa futures for May delivery dropped 15 pounds, or 0.7 percent, to 2,074 pounds (\$3,343) a ton.

Sugar rebounded from the longest slump in a month on speculation that exports will be limited from India, the world's second-biggest producer. Cotton and orange juice also gained. India may retain export curbs even if a normal monsoon boosts output because inflation remains elevated, according to Adani Wilmar Ltd., the nation's biggest farm-goods trader. Food inflation has been higher than 10 percent for most of this year after unseasonal rain damaged vegetables and fruit. Sugar reached a 30-year high last month after adverse global weather slashed crops. "Any curb to exports will keep the market up," said Adam Klopfenstein, a senior market strategist at Lind-Waldock in Chicago. Raw sugar for May delivery gained 0.87 cent, or 3.3 percent, to settle at 27.45 cents a pound at 2 p.m. on ICE Futures U.S. in New York. The price dropped 4.1 percent in the previous three sessions, the longest slump since Feb. 23. On March 22, India approved a proposal to ship 500,000 metric tons of sugar. Brazil is the biggest producer. In London, refined-sugar futures for May delivery rose \$18.20, or 2.6 percent, to \$706.10 a ton on NYSE Liffe. Cotton futures for May delivery jumped 6.95 cents, or 3.4 percent, to \$2.0882 a pound on ICE, after surging by the exchange limit of 7 cents. U.S. export sales of upland cotton more than tripled in the week ending March 17 from the previous seven days, the Department of Agriculture said today. "The export-sales report was a real eye-popper," said Mike Stevens, an independent trader in Mandeville, Louisiana. "Most traders were bracing for contract cancellations." Orange-juice futures for May delivery rose 2.3 cents, or 1.4 percent, to \$1.618 a pound in New York. Prices gained for the third straight session, the longest rally since Feb. 22.

### Live Cattle

Cattle futures climbed to the highest price in more than a week on signs of rising demand for U.S. beef from overseas buyers, including Japan. Hogs also gained. Export sales of beef jumped 12 percent in the four weeks ended March 17, compared with the same period in 2010, government data show. Japan bought about 3,900 metric tons (8.6 million pounds), its first reported purchase since a catastrophic earthquake and tsunami on March 11. The Asian country is working to contain radiation after the temblor damaged its Fukushima Dai-ichi nuclear plant. The Japanese buying "must be the reason prices are higher," said Paul Beere, a market adviser at Prime Agricultural Consultants Inc. in Brookfield, Wisconsin. "We keep thinking that one of the ways to avoid this radiation is to buy food from somewhere where the radiation isn't a problem. Any beef or pork that's bought from somewhere else is going to be a way to avoid that." Cattle futures for June delivery rose 1.425 cents, or 1.3 percent, to settle at \$1.14775 a pound at 1 p.m. on the Chicago Mercantile Exchange. After the close of regular trading, the price reached \$1.1485, the highest since March 15. The most-active contract has gained 24 percent in the past 12 months.

Flooding from the tsunami hit the Tohoku region in Japan, which produces about 16 percent of the country's pork, 12 percent of its beef and 15 percent of poultry, according to Philip Seng, the U.S. Meat Export Federation's chief executive. Japan was the largest importer of U.S. pork and the third-largest buyer of U.S. beef last year, government data show. Japan has restricted shipments of milk, spinach and other vegetables from Fukushima and neighboring prefectures as radiation from the plant contaminated agricultural products. U.S. exporters shipped 190.6 million pounds of beef in January to all destinations, up 24 percent from a year earlier, according to the Department of Agriculture. Wholesale prices for the meat are up 15 percent from a year ago, USDA data show. "We have had some good export markets over the last two quarters," said Dick Quiter, an account executive at McFarland Commodities LLC in Chicago. "Exports are still relatively strong." Feeder-cattle futures for August settlement advanced 1.225 cents, or 0.9 percent, to \$1.36125 a pound. Hog futures for June settlement gained 0.65 cent, or 0.6 percent, to settle at \$1.01175 a pound. The price has climbed 25 percent in the past year.

**Source: Market reports are sourced from Bloomberg News**

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