

Summary of overnight US trading session

Symbol	Market	Settlement	24hr change	24hr change %	Open*	Low*	High*
INDU Index	DOW JONES INDUS. AVG	12376.72	56.99	0.00	12321.02	12321.02	12419.71
SPX Index	S&P 500 INDEX	1332.41	6.58	0.00	1329.48	1328.89	1337.85
NDX Index	NASDAQ 100 STOCK INDX	2342.92	3.93	0.00	2352.47	2334.95	2359.16
VIX Index	CBOE SPX VOLATILITY INDX	17.4	0.34	0.02	16.68	16.44	17.62
GCJ1 Comdty	GOLD 100 OZ FUTR Apr11	1430.5	2.40	0.00	1429.1	1428.8	1430.6
SIA Comdty	SILVER FUTURE May11	38.060	0.328	0.01	37.845	37.81	38.15
CLA Comdty	WTI CRUDE FUTURE May11	108.42	0.48	0.00	108.29	108.06	108.74
NGK1 Comdty	NATURAL GAS FUTR May11	4.311	0.029	0.01	4.334	4.299	4.334
HOK1 Comdty	HEATING OIL FUTR May11	314.6	1.15	0.00	313.44	313.44	315.21
W K1 Comdty	WHEAT FUTURE(CBT) May11	767.250	7.750	0.01	765.5	764.25	769.5
C K1 Comdty	CORN FUTURE May11	743.750	7.750	0.01	736	734	745
S K1 Comdty	SOYBEAN FUTURE May11	1400.500	6.750	0.00	1393.500	1391.500	1402.750
KCK1 Comdty	COFFEE 'C' FUTURE May11	259.9	4.25	0.02	265.5	258.8	266.25
JOK1 Comdty	FCOJ-A FUTURE May11	162.9	0.10	0.00	162.4	162.2	164
CCK1 Comdty	COCOA FUTURE May11	3011	59.00	0.02	2938	2925	3035
SBK1 Comdty	SUGAR #11 (WORLD) May11	27.44	0.33	0.01	27.11	26.95	27.76
CTK1 Comdty	COTTON NO.2 FUTR May11	193.04	2.51	0.01	195.01	192.21	195.01
LCJ1 Comdty	LIVE CATTLE FUTR Apr11	122.075	0.53	0.00	121.100	121.025	122.125
DXI Index	DOLLAR INDEX SPOT	75.869	0.04	0.00	75.87	75.69801	75.90601

US Stocks

After four decades promoting the advantages of an all-electronic stock market, Nasdaq OMX Group Inc. may end up owning the world's most famous trading floor. Chief Executive Officer Robert Greifeld would take over the New York Stock Exchange's 108-year-old trading room should his offer for NYSE Euronext win over the bid from Frankfurt-based Deutsche Boerse AG, which agreed in February to a merger now valued at \$9.26 billion. Nasdaq OMX and IntercontinentalExchange Inc. said April 1 that they would pay \$11.3 billion in cash and stock for the 219-year-old exchange operator at the corner of Wall and Broad Streets in Manhattan. While Greifeld promised 74 percent more expense reductions than Deutsche Boerse, he said last week he wouldn't close NYSE Euronext's open-outcry auction venue, which has been the image of American capitalism for more than a century. The floor's value in attracting new stock listings outweighs the cost and Nasdaq OMX would allow it to coexist with its electronic systems that have become a model for markets globally, brokerage executives and investors said. "The floor is an American icon, a global icon," said Joseph Gawronski, chief operating officer at Rosenblatt Securities Inc., which employs about a dozen traders at the NYSE executing orders for institutions. "It's a symbol of such importance that Greifeld might not be doing what would come naturally to him, cutting costs by shutting down the floor."

Nasdaq OMX and Atlanta-based ICE's unsolicited bid of \$42.50 in cash and stock for each NYSE Euronext share was about 20 percent more than its closing price of \$35.17 on March 31. Deutsche Boerse's all-stock agreement to purchase NYSE Euronext valued the company at \$35.43 a share as of 9:42 p.m. New York time yesterday. NYSE Euronext, which said its board will consider the offer, rose 13 percent to \$39.60 on April 1. New York-based Nasdaq gained 9.3 percent to \$28.23. ICE slipped 3.1 percent to \$119.75. Both proposals for NYSE would face antitrust review. ICE would acquire NYSE Euronext's Liffe futures markets.

Nasdaq OMX would keep the U.S. stock and options businesses, giving it almost half of American equities trading and a monopoly on listing corporations and exchange-traded funds in the world's largest capital market. The Deutsche Boerse deal, announced on Feb. 15, would create the world's largest exchange operator, with venues in the U.S. and Europe. Nasdaq OMX, the second-largest U.S. bourse operator, and ICE said in a statement they anticipate eliminating about \$740 million in expenses. That compares with Deutsche Boerse's plans for \$427 million in reductions.

It's "our intention to keep the floor," Greifeld said on an April 1 conference call. Nasdaq OMX has owned an options trading room since 2008 when it bought the Philadelphia Stock Exchange, founded in 1790, for \$652 million. The Philly market, as it was known before Nasdaq bought it, closed its stock trading operation in 2006. "Under our stewardship, that floor has grown and flourished," he said. "We certainly see value to the floor." As markets around the world adapted to electronic trading and sought new users over the last quarter century, the London, Toronto and Boston stock markets, International Petroleum Exchange, and London International Financial Futures & Options Exchange closed their physical trading rooms. Nasdaq eventually became the leader in running electronic venues that allowed investors to trade through computers without requiring people to gather in one location.

The Nasdaq Stock Market started in 1971 as an automated quotation system for shares not listed on the NYSE or the American Stock Exchange, growing to become the second-largest equities market operator in the U.S., attracting companies such as Redmond, Washington-based Microsoft Corp., the biggest software maker, and Santa Clara, California-based Intel Corp., the largest producer of semiconductors. As Nasdaq proved that equities could be traded without face-to-face interaction, U.S. regulators passed rules that pushed more volume onto electronic markets, forcing the NYSE to overhaul the way orders are handled to compete with faster and cheaper venues. Federal authorities are investigating whether the electronic network has been breached by hackers. The National Security Agency, the top U.S. electronic intelligence service, joined a probe of the October cyber attack on Nasdaq OMX, according to people familiar with the investigation. Nasdaq OMX said in February that the breach of its computers was limited to a system known as Directors Desk, a product used by board members of companies to exchange confidential information. The exchange operator said that as far as investigators could determine, no data or documents on that system were taken.

NYSE Euronext Chairman and CEO Duncan Niederauer told analysts and reporters when the Deutsche Boerse agreement was announced that the NYSE trading floor remains central to expansion plans. The company began renovating the floor in 2009, updating facilities that have been in place since the main room was refurbished in 1981. About 960 equities traders including 120 market makers worked on the NYSE floor in January, down from about 1,200 two years earlier when the population had already declined 70 percent from the 1990s, said Ray Pellecchia, an NYSE Euronext spokesman. Should the Nasdaq OMX bid succeed, the combination would symbolize an "amazing end" to a decade of convergence in the rules and systems used to match buyers and sellers in the U.S. Stock market, said Jamie Selway, a managing director at New York-based Investment Technology Group Inc. Changes in the last five years compelled NYSE to become more electronic and rely less on human traders while Nasdaq OMX has shifted from a dealer-based market for over-the-counter stocks to an exchange.

"NYSE has headed toward Nasdaq in terms of trading automation and technology and Nasdaq has been building a marketing presence as an exchange to create a global listings brand," Selway said. "We've landed in a place, in terms of trading models, that's 90 percent Nasdaq and 10 percent NYSE." NYSE's market share in stocks it lists declined from 80 percent in 2005 to 24 percent in February, according to data compiled by Barclays Plc. Nasdaq Stock Market's share of NYSE-listed equities was 12 percent that month. Each company owns three platforms to trade stocks with rules and fees catering to different segments of investors. Nasdaq's share of trading in the securities it lists was 27 percent in February, according to Barclays data.

An advantage of the NYSE floor is its stature among investors and traders outside the U.S., which can influence corporations to list their shares there, Gawronski said. Greifeld has increased Nasdaq OMX's efforts to get foreign firms to list shares on his market and said in the statement announcing the offer that the combined company would draw more firms that may have sought listings elsewhere to U.S.

exchanges. Nasdaq OMX has sought to emulate some of the NYSE Euronext's practices. Its MarketSite building in Times Square holds opening and closing ceremonies for company executives and facilitates broadcast reporting for financial news and media organizations, even though no traders or market makers work in the building. "When you take a group of executives, particularly from overseas, on the floor, they are wowed," Gawronski said. "It is still a big deal to ring that bell -- so much so that Nasdaq has its own bell even though they have no floor."

Precious Metals

Gold, trading little changed in Asia, may advance as investors buy the precious metal to shield their wealth from geopolitical risks and rising inflation. Immediate-delivery bullion was at \$1,430.53 an ounce at 9:00 a.m. in Singapore compared to last week's close of \$1,428.80. Gold for June delivery in New York rose 0.2 percent to \$1,431.50 an ounce. "Geopolitical risks linked to the Middle East and Japan, as well as the European debt crisis, have yet to show an improvement," said Hwang Il Doo, a Seoul-based senior trader at KEB Futures Co. "These, coupled with the inflation outlook, will continue to power gold." Libyan leader Muammar Qaddafi's acting foreign minister, Abdul Ati al-Obeidi, met with Greece's prime minister yesterday to seek a political solution to the nation's crisis, Greek Foreign Minister Dimitris Droutsas said. The U.S., Britain and France have been enforcing a United Nations-backed no-fly zone over the country as rebels battle Qaddafi's forces for control. In Japan, Tokyo Electric Power Co.'s attempt to clog a cracked pit with sawdust, newspaper and plastic failed to stop radioactive water leaking into the sea from a crippled power plant, which was damaged in the March 11 quake and tsunami. Marc Faber, publisher of the Gloom, Boom & Doom report, said last week investors should have 10 to 20 percent of their portfolio in gold as an inflation hedge. The unemployment rate in the U.S. unexpectedly fell to a two-year low of 8.8 percent in March, adding to evidence that a recovery in the world's largest economy is gaining traction.

Eleven of 25 traders, investors and analysts surveyed by Bloomberg, or 44 percent, said that bullion will rise this week. Nine predicted lower prices and five were neutral. Spot gold reached an all-time high of \$1,447.82 an ounce on March 24. Hedge-fund managers and other large speculators increased their net-long position in New York gold futures in the week ended March 29, according to U.S. Commodity Futures Trading Commission data. Speculative long positions, or bets prices will rise, outnumbered short positions by 193,121 contracts on the Comex division of the New York Mercantile Exchange, the commission said in its Commitments of Traders report. Net-long positions rose by 18,284 contracts, or 10 percent, from a week earlier. Cash silver rose 0.5 percent to \$38.0175 an ounce, approaching the highest level since 1980. The metal touched \$38.1675 an ounce last Palladium for immediate delivery increased 0.4 percent to \$777 an ounce, while platinum gained 0.4 percent to \$1,772.50 an ounce.

Energy

Hedge funds more than doubled bullish bets on natural gas as the U.S. economy strengthened and Japan struggled to contain its nuclear crisis, raising speculation that the nation's demand for the fuel will rise. Funds and other large speculators increased net-long positions, or wagers on rising prices, by 42,060 futures equivalents 76,985 in the seven days ended March 29, according to the Commodity Futures Trading Commission's weekly Commitments of Traders report. U.S. manufacturing expanded in March at the fastest pace in almost seven years, according to an April 1 report from the Institute for Supply Management. President Barack Obama said March 30 the country will curb reliance on foreign fuels and cut greenhouse emissions, policies that may increase consumption of gas, which emits half as much carbon dioxide as coal, according to the U.S. Environmental Protection Agency. The nuclear alert entered a third week in Japan, which consumed 35 percent of the world's liquefied natural gas in 2009, based on BP Plc data. "Gas has moved to the front of the line as the most-favored fuel of the future," said John Kilduff, a partner at Again Capital LLC, a New York-based hedge fund that focuses on energy. "That has people rethinking" taking bets against it. Futures gained 8.7 percent to \$4.389 per million British thermal units on the New York Mercantile Exchange in March, the largest monthly advance since last May. They declined 2.7 cents, or 0.6 percent, to \$4.362 per million Btu on April 1.

The Institute for Supply Management's manufacturing index was 61.2 on April 1. A reading higher than 50 signals expansion. Industrial consumption of natural gas will rise to 18.8 billion cubic feet a day this year from 18.1 billion in 2010, the Energy Department said in its Short-Term Energy Outlook on March 8. The U.S. unemployment rate unexpectedly dropped last month to 8.8 percent as employers added 216,000 workers, the Labor Department said April 1. Analysts projected an increase of 190,000 jobs for March. Natural gas, which fell for three years through the end of 2010, rallied about 11 percent since March 11, when a magnitude-9 earthquake struck northeast Japan, causing explosions and radiation leaks at the Fukushima Dai-Ichi nuclear plant. 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.

"Psychologically the thing that turned the momentum in this market more than anything else is the ongoing nuclear crisis in Japan," said Phil Flynn, vice president of research at PFGBest in Chicago. "Everyone is thinking that the obvious replacement for nuclear is natural gas." The situation at the Fukushima Dai-Ichi plant remained "very serious," and it's unclear when the crisis will end, said Yukiya Amano, director-general of the International Atomic Energy Agency, said April 1 in Nairobi, Kenya. Japan will increase consumption of liquefied natural gas to replace nuclear power generation, raising demand for the fuel on the world market and cutting into imports into the U.S., curbing injections into natural gas stockpiles, Flynn said. U.S. gas inventories declined this year to 1.624 trillion cubic feet as of the week ended March 25, according to the Energy Department, after a colder-than-normal winter boosted heating demand, eroding an inventory surplus. The supply is 4.4 percent above the five-year average, compared with 11 percent at the same time last year.

"The end of heating season will leave stored quantities much less than originally thought," Mike Fitzpatrick, a partner with the Kilduff Group in New York, an energy-consulting company, said in an April 1 note to clients. "Early expectations were for another record." Net-long positions in natural gas held by managed money, including hedge funds, commodity pools and commodity-trading advisers, in futures and options combined in four natural-gas contracts increased by 42,060 futures equivalents to 76,985 in the week ended March 29. Long positions increased by 6,516 futures equivalents while short positions fell by 35,545. The measure includes an index of four contracts adjusted to futures equivalents: Nymex natural gas futures, Nymex Henry Hub Swaps, Nymex Henry Hub Penultimate Swaps and ICE Henry Hub Swaps. Henry Hub, in Erath, Louisiana, is the delivery point for Nymex futures, a benchmark price for the fuel. In other markets, bullish, or long, bets on gasoline prices rose 5.6 percent to 61,367 futures and options combined, the CFTC data showed. Net-long bets on heating oil increased by 5.5 percent to 37,625. Net-long positions in oil advanced by 5,254 futures and options combined, or 1.8 percent, to 292,066, according to the CFTC report.

Oil climbed for a third day in New York, trading at a 30-month high, as signs of economic recovery in the U.S. boosted speculation fuel demand will rise in the world's largest crude user. Futures advanced as much as 0.7 percent today after an April 1 government report showed the U.S. added more jobs than economists forecast last month. Prices advanced 2.4 percent last week as fighting in Libya threatened to prolong supply cuts in Africa's third largest producer. An emissary of Muammar Qaddafi met with Greece's prime minister yesterday and may be seeking a political or diplomatic solution to hostilities. "The U.S. data paints a positive picture," Jonathan Barratt, managing director of Commodity Broking Services Pty in Sydney, said by telephone today. "People are still concerned about Libya, but not overly. If Qaddafi decides to call it a day, then there will be a short, sharp sell-off." Crude for May delivery gained as much as 80 cents to \$108.74 a barrel in electronic trading on the New York Mercantile Exchange, the highest since Sept. 24, 2008, and was at \$108.55 at 12:30 p.m. Sydney time. Prices are up 25 percent from a year ago. Payrolls advanced by 216,000 workers in March compared with a 190,000 gain projected by economists in a Bloomberg News survey. The jobless rate dropped to 8.8 percent from 8.9 percent, the fourth straight decrease, the Labor Department said. The unemployment rate was projected to hold at 8.9 percent, according to the median forecast in the survey.

Brent oil for May settlement increased 78 cents, or 0.7 percent, to \$119.48 a barrel, on the London-based ICE Futures Europe exchange. The contract climbed \$3.11, or 2.7 percent last week. The European benchmark traded at a premium of \$10.62 a barrel over U.S.-traded West Texas Intermediate futures. The

difference between front-month contracts in London and New York surged to a record \$19.54 on Feb. 21 as unrest spread in the Middle East and North Africa and stockpiles climbed at Cushing, Oklahoma, the delivery point for WTI. The gap averaged 76 cents last year. Oil in New York has climbed 28 percent since anti-government protests began Feb. 15 in Libya, cutting output by two-thirds. The conflict is the bloodiest in uprisings that have toppled the presidents of Tunisia and Egypt and spread to Bahrain, Iran, Yemen and Oman. "Upcoming elections in Nigeria amid the intensified unrest" in the Middle East and North Africa region may add to market jitters over oil supplies, Mark Pervan, head of commodity research at Australia & New Zealand Banking Group Ltd. in Melbourne said in an e-mailed note.

Nigeria, Africa's top oil producer, will hold general elections a week later than planned, the electoral commission said, after a vote to elect lawmakers ended in chaos on April 2. Parliamentary elections, which had been rescheduled to start today, will take place on April 9, while the presidential vote is set for April 16, Attahiru Jega, head of the Independent National Electoral Commission, said yesterday in Abuja, the capital. Nigeria pumped 1.92 million barrels a day in March, according to estimates compiled by Bloomberg News. Saudi Arabia, the largest producer in the Organization of Petroleum Exporting Countries, pumped 9 million barrels a day.

Grains

Corn rallied to the highest price since 2008 on concern that a planned increase in planting in the U.S., the world's largest grower, will not be enough to rebuild global stockpiles. May-delivery corn surged as much as 1.2 percent to \$7.445 per bushel, the highest price for a most-active contract on the Chicago Board of Trade since July 2008, when a global food crisis helped send prices to record and spurred riots worldwide. Corn hit an all-time high of \$7.9925 on June 27, 2008. U.S. stockpiles on March 1 dropped to 6.52 billion bushels, the lowest level for that date since 2007, the U.S. Department of Agriculture, or USDA, said on March 31. U.S. farmers will expand corn sowing to 92.178 million acres this year, the second-largest area since 1944. "It's still driving the markets," Simon Clancy, manager for export brokerage at FCStone Australia Pty. Ltd., said by phone from Sydney today, referring to shrinking U.S. and global corn stockpiles. "It's not something that's going to be resolved anytime soon." Twenty-three of 29 traders and analysts surveyed by Bloomberg News from Tokyo to Chicago on April 1 said that corn will advance this week. The U.S. harvest represents about 39 percent of global output in the 2010-2011 season, according to USDA data. Corn has more than doubled over the past year, beating rallies in wheat and soybeans, as increased demand has cut stockpiles. The May-delivery contract traded at \$7.4425 per bushel at 11:28 a.m. in Singapore. On April 1, futures jumped 6.2 percent, the biggest gain since June 30.

Wheat for May delivery gained as much as 1.3 percent to \$7.695 per bushel on the Chicago Board of Trade, before trading at \$7.67 at 11:37 a.m. in Singapore. The price has increased 64 percent over the past year. Drier and warmer temperatures are expected in the southern plains in the U.S. this week, "increasing stress to wheat development," Telvent DTN Inc. said in a forecast on April 1. The increase in wheat prices is driven by "the lack of rain in the winter-wheat areas in the U.S., particularly the hard-red winter wheat," Clancy said. May-delivery soybeans rose 0.5 percent to \$14.01 per bushel in Chicago, after gaining as much as 0.7 percent earlier. The oilseed has climbed 50 percent over the past year.

Softs

U.S. farmers will sow 15 percent more acres with cotton this year, less than analysts expected, amid record prices, the Department of Agriculture said. The commodity rose for the first time in five days. About Cotton declined for the fifth time in six sessions after India, the world's second-biggest producer, lifted restrictions on yarn exports. Orange juice gained. The trade ministry yesterday said overseas yarn shipments no longer needed government permission. On Dec. 1, India said it was capping such exports at 720,000 metric tons in the year ending Sept. 30 to bolster domestic supplies. "This definitely is bringing the market down," said Louis Barbera, a broker at VIP Commodities in New York. Cotton for May delivery declined 4.68 cents, or 2.3 percent, to settle at \$1.9555 a pound at 2:39 p.m. on ICE Futures U.S. in New York. The commodity dropped 4.4 percent this week, the third decline in four weeks. India is the second-biggest cotton exporter, behind the U.S. China is the largest producer. Orange-juice futures for May delivery rose 0.1 cent to \$1.629 a pound on ICE.

Live Cattle

Cattle futures rose to a record for a third straight day on speculation that demand for U.S. beef may increase as hazardous radiation levels in Japan may contaminate food supplies. Hogs fell. Cattle in Japan's Fukushima prefecture are struggling to survive as radiation leaking from a crippled nuclear power plant contaminates soil and water and forcing farmers to evacuate the area. Prices rose 7.2 percent last month, the biggest gain since November, and capped a 12 percent rally in the first quarter. "With news coming out of Japan, it only seems to be spreading a little bit more," said Mark Schultz, referring to concerns that meat supplies may be tainted. "I would suspect we would see demand continuing." Cattle futures for June delivery gained 0.275 cent, or 0.2 percent, to settle at \$1.2125 a pound at 1 p.m. on the Chicago Mercantile Exchange. Earlier, the commodity touched a record of \$1.215. Prices have jumped 30 percent in the past year as the U.S. herd dwindled to the lowest since 1958 and meat exports surged. Wholesale choice-beef rose to \$1.893 a pound at midday, the highest since at least January 2004. U.S. retail-beef prices touched a record last month. Costs have gained for supermarkets and restaurants including Wendy's/Arby's Group Inc. Japan bought about 1,400 metric tons (about 3.1 million pounds) of U.S. beef last week, down from the 3,900 tons bought the previous week, and lower than the 2,800-ton purchase in the week ended March 10, before the earthquake and tsunami struck the Asian country. Feeder-cattle futures for August settlement advanced 0.65 cent, or 0.5 percent, to \$1.41875 a pound. Earlier, the price climbed to a record of \$1.42. Hog futures for June settlement fell 0.3 cent, or 0.3 percent, to \$1.03575 a pound in Chicago. Earlier, the commodity reached \$1.0435, the highest for a most-active contract since at least April 1986. The price surged 30 percent in the first quarter, the most since the period ended Dec. 31, 2009.

Source: Market reports are sourced from Bloomberg News

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