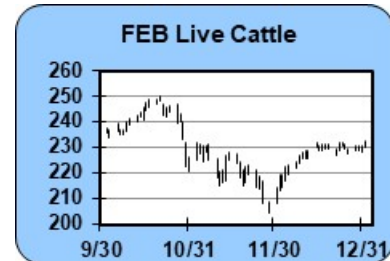


DAILY CATTLE COMMENTARY
1/2/2026

The cattle complex closed out 2025 on a strong note

February live cattle closed on the highs of the week on Wednesday and briefly touched a new 2 month high. China's implementation of a new over quota tariff on beef imports from the US did not prompt a negative reaction and tight cattle supplies and expected strong cash trade continues to drive the rally. Cash cattle was reported on Wednesday at 230 - 232 in the north and 230 in the South, \$1 - \$3 higher than last week but volumes were light and more cash trade is likely today. The bull camp retains the edge. Commitments of trader's positioning data for 12/23 showed Managed Money moderately increased their net long to just under 95,000 contracts. The feeder market is leading to the upside after the news of a new screwworm detection less than 200 miles south of the US border earlier this week. The USDA estimated cattle slaughter came in at 85,000 head Wednesday. This brings the total for the week so far to 325,000 head, up from 287,000 last week at this time and up from 223,410 a year ago. The USDA boxed beef cutout was down 20 cents at mid-session Wednesday and closed 75 cents lower at \$347.45. This was down from \$355.77 the previous week.



U.S. beef export sales for the week ending December 18 came in at 2,100 tonnes compared with the average of the previous four weeks of 15,800 tonnes. Cumulative sales for the 2025 marketing year have reached 741,200 tonnes, down 0.3% versus last year's pace.

The Commitments of Traders report for the week ending December 23rd showed Cattle Managed Money traders were net long 94,868 contracts after increasing their already long position by 3,565 contracts. CIT traders are net long 95,630 contracts after net buying 1,386 contracts. Non-Commercial No CIT traders were net long 60,609 contracts after increasing their already long position by 3,390 contracts. Non-Commercial & Non-Reportable traders added 3,494 contracts to their already long position and are now net long 91,161.

TODAY'S MARKET IDEAS:

Live cattle looks poised for more upside gains after the strong close on Wednesday. For February live cattle, nearby support comes in at 226.85. Nearby upside resistance is 232.35 and beyond that is the late October gap at 233.42. The path of least resistance looks higher.

TRADE IDEAS:

No new recommendations for today.

Commitment of Traders - Futures and Options - 12/16/2025 - 12/23/2025						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	12,314	+492	-4,011	-170	-8,302	-322
Cattle	112,429	+3,952	-91,162	-3,495	-21,268	-458

CATTLE COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

LIVE CATTLE (FEB) 01/02/2026: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 229.220. The next area of resistance is around 232.700 and 233.700, while 1st support hits today at 230.500 and below there at 229.220.

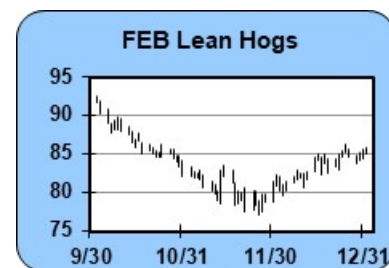
FEEDER CATTLE (JAN) 01/02/2026: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 351.893. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 351.112 and 351.893, while 1st support hits today at 349.388 and below there at 348.444.

DAILY HOGS COMMENTARY

1/2/2026

Managed money net long increasing, technicals still point higher

February hogs pulled back slightly on Wednesday but are still just below 2-month highs and the current uptrend remains intact. Wednesday featured light trading volume and pressure came from lighter than expected weekly export sales, although China was the 3rd largest buyer on the list. Commitments of Trader's data for the week of 12/23 showed Managed Money increased their net long position by more than 10,000 contracts to just over 75,000. The bull camp remains in control until February prices fall below support at 83.82. CME Lean Hog Index as of December 29 was 82.25, down -0.19 for the day and down -1.47 versus a week ago. This is the lowest since December 11. The USDA estimated hog slaughter came in at 418,000 head Wednesday. This brings the total for the week so far to 1.360 million head, up from 1.153 million last week at this time and up from 886,629 a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$93.31, down 46 cents from Tuesday and down from \$96.38 the previous week. The average hog weight for Iowa-Southern Minnesota as of December 27 was 294.2 pounds, up from 291.9 pounds the previous week and up from 292.3 a year ago. The 5-year average is 289.4 pounds.



U.S. pork export sales for the week ending December 18 came in at 19,000 tonnes compared with the average of the previous four weeks of 35,900 tonnes. Cumulative sales for the 2025 marketing year have reached 1,676,600 tonnes, down 1.1% versus last year's pace.

The December 23rd Commitments of Traders report showed Hogs Managed Money traders net bought 10,489 contracts and are now net long 75,325 contracts. CIT traders added 1,939 contracts to their already long position and are now net long 106,116. Non-Commercial No CIT traders are net long 33,548 contracts after net buying 8,302 contracts. Non-Commercial & Non-Reportable traders net bought 8,831 contracts and are now net long 73,350 contracts.

TODAY'S MARKET IDEAS:

The uptrend since the November 21st low remains in place and key resistance is last week's high at 86.22 and if prices move above that level, gap resistance from mid-October stands at 86.70 for the February contract. Beyond that level, resistance comes in at 87.70, which coincides with the 0.618% retracement to the contract highs.

TRADE IDEAS:

No new recommendations for today.

Commitment of Traders - Futures and Options - 12/16/2025 - 12/23/2025

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	84,847	+9,692	-73,350	-8,831	-11,497	-861

PORK COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

LEAN HOGS (FEB) 01/02/2026: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 84.370. The next area of resistance is around 85.570 and 86.250, while 1st support hits today at 84.650 and below there at 84.370.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
MEAT COMPLEX										
LCG26	231.570	62.94	58.97	75.21	73.89	230.18	229.99	229.47	224.15	228.74
FCF26	350.250	71.42	64.34	86.97	89.61	348.24	346.08	342.81	331.46	339.96
LHG26	85.100	58.70	57.67	79.55	76.42	84.89	84.95	84.10	82.00	82.92

Calculations based on previous session. Data collected 12/31/2025

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
MEAT COMPLEX						
LCG26	Live Cattle	229.200	230.450	231.450	232.700	233.700
FCF26	Feeder Cattle	348.443	349.387	350.168	351.112	351.893
LHG26	Lean Hogs	84.350	84.620	85.300	85.570	86.250

Calculations based on previous session. Data collected 12/31/2025

Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.