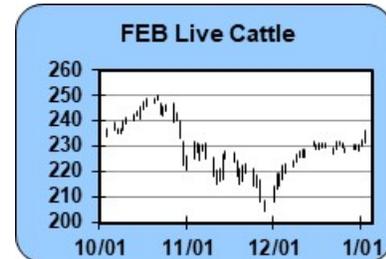


DAILY CATTLE COMMENTARY

1/5/2026

Upside breakout on strong cash trade and technical buying

The cattle complex shot higher on Friday, breaking out to the upside on tight cattle supplies, stronger cash prices and expectations of smaller fed beef production ahead. Another new screwworm case in Mexico supported the feeder market as well. The bull camp remains in clear control. Last week's holiday slaughter was 5.8% below the same week a year ago and total slaughter for 2025 hit a 10-year low. Cash cattle trade on Friday was reported at 228 - 232 in the north and 232 in the South with some Saturday trade at \$1 - \$2 above that as well. The 5 - area, 5 - day weighted average the week ended at 231.47, up from 229.54 the end of the prior week. The USDA estimated cattle slaughter came in at 116,000 head Friday and 33,000 head for Saturday. This brought the total for last week to 474,000 head, up from 426,000 the previous week but down from 504,893 a year ago. The estimated average dressed cattle weight for the week ending January 3 is 897 pounds, up from 896 the previous week and up from 881 a year ago. The 5-year average weight for that week is 850 pounds. Estimated beef production last week was 423.7 million pounds, down from 444 million a year ago. The USDA boxed beef cutout was up \$1.25 at mid-session Friday and closed \$2.52 higher at \$349.97. This was down from \$354.62 the previous week.



TODAY'S MARKET IDEAS:

Live cattle looks poised for more upside gains after the strong breakout on Friday. For February live cattle, nearby support moves up to 232.50. Next upside resistance is the October 24th gap at 240.37.

TRADE IDEAS:

No new recommendations for today.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 01/05/2026: A bullish signal was given with an upside crossover of the daily stochastics. Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside objective is 239.770. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 238.420 and 239.770, while 1st support hits today at 233.600 and below there at 230.100.

FEEDER CATTLE (MAR) 01/05/2026: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 359.368. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 357.037 and 359.368, while 1st support hits today at 348.863 and below there at 343.019.

DAILY HOGS COMMENTARY

1/5/2026

February liquidation pushes prices down for a test of key support

February hogs made new lows for the week on Friday in disappointing fashion. But prices did hold key support at the 200-day moving average at 83.90, keeping the bulls hopes alive that the uptrend can continue. The New Year's week slaughter was slightly below the kill for the holiday week the year prior but nearly 250,000 head above Christmas week slaughter. COT data through the week of December 30 will be released later this afternoon and is likely to show Managed Money still holding a major net long position. The February contract featured heavy liquidation on Friday as open interest dropped nearly 3500 contracts.



CME Lean Hog Index as of December 30 was 82.26, up 0.01 for the day and down -1.45 versus a week ago. The USDA estimated hog slaughter came in at 477,000 head Friday and 391,000 head for Saturday. This brought the total for last week to 2.228 million head, up from 1.978 million the previous week but down from 2.270 million a year ago. Estimated US pork production for the week ending January 3 is 487.1 million pounds, up from 432.5 the previous week and down from 497.2 a year ago. The USDA pork cutout, released after the close Friday, came in at \$94.59, up \$1.28 from Wednesday and up from \$92.90 the previous week.

TODAY'S MARKET IDEAS:

February hogs closed just above key 200-day moving average support at 83.90 and if prices gap below that level this morning, it would be a certain disappointment for the bulls. Stochastics is pointing lower, suggesting the potential for a further break.

TRADE IDEAS:

No new recommendations for today.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/05/2026: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 83.170. The next area of resistance is around 84.650 and 85.400, while 1st support hits today at 83.550 and below there at 83.170.

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	236.000	73.22	65.82	77.76	82.88	231.76	230.83	229.96	224.41	228.67
FCH26	352.950	81.24	71.52	89.40	92.85	346.13	342.52	338.40	326.37	334.84
LHG26	84.100	49.90	52.35	75.45	67.24	84.78	84.95	84.20	82.04	82.85

Calculations based on previous session. Data collected 01/02/2026
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	230.070	233.570	234.920	238.420	239.770
FCH26	Feeder Cattle	343.018	348.862	351.193	357.037	359.368
LHG26	Lean Hogs	83.150	83.520	84.270	84.650	85.400

Calculations based on previous session. Data collected 01/02/2026

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