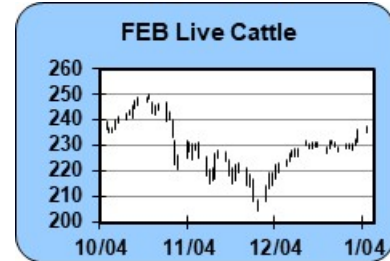


DAILY CATTLE COMMENTARY
1/6/2026

Short-term weakness possible but trend remains higher

Feeders led the way higher again yesterday with March hitting its highest level since October 22, while live cattle closed near unchanged. The unchanged close may have been a slight disappointment as the sharp rally in the stock market should have been a supportive factor. Although upside momentum stalled yesterday, the breakout last Friday remains a positive technical development, keeping the edge with the bulls. COT data for 12/30 showed Managed Money reduced their net long slightly in live cattle but still are holding a sizable position of 93,000 contracts. The fund net long in feeders increased slightly to just over 15,000 contracts. No cash cattle trade reports yesterday in any of the major regions. The 5 - area, 5 - day weighted average for the week stands at 231.60. The USDA estimated cattle slaughter came in at 115,000 head Monday. This was down from 118,000 last week but up from 108,539 a year ago. The USDA boxed beef cutout was up \$4.06 at mid-session Monday and closed \$3.73 higher at \$353.70. This was up from \$351.21 the previous week.



Cattle positioning in the Commitments of Traders for the week ending December 30th showed Managed Money traders net sold 1,893 contracts and are now net long 92,975 contracts. CIT traders net bought 273 contracts and are now net long 95,903 contracts. Non-Commercial No CIT traders net sold 1,086 contracts and are now net long 59,523 contracts. Non-Commercial & Non-Reportable traders net sold 119 contracts and are now net long 91,042 contracts.

U.S. beef export sales for the week ending December 25 came in at -2,100 tonnes (cancellations) compared with the average of the previous four weeks of 13,100 tonnes. Cumulative sales for the 2025 marketing year have reached 739,000 tonnes, down 0.6% versus last year's pace.

TODAY'S MARKET IDEAS:

February live cattle were unable to follow through yesterday from Friday's strong breakout and may see a minor pullback in the near-term. However, good support should be encountered on a pullback toward 232.50 as the uptrend remains intact. Next major upside resistance is the October 24th gap at 240.37.

TRADE IDEAS:

No new recommendations for today.

Commitment of Traders - Futures and Options - 12/23/2025 - 12/30/2025						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	13,758	+1,444	-4,874	-863	-8,883	-581
Cattle	112,087	-342	-91,043	+119	-21,045	+223

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) 01/06/2026: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 238.550. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 237.120 and 238.550, while 1st support hits today at 234.620 and below there at 233.520.

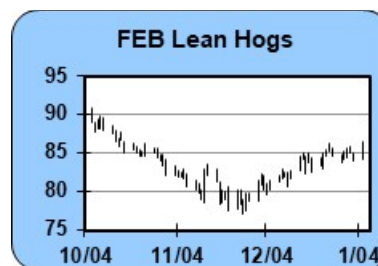
FEEDER CATTLE (MAR) 01/06/2026: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 359.318. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 357.562 and 359.318, while 1st support hits today at 353.588 and below there at 351.369.

DAILY HOGS COMMENTARY

1/6/2026

Upside breakout on strong volume points to more upside

February hogs turned sharply higher yesterday and took out the November and December highs. The cash hog index was modestly lower yesterday. Open interest dropped in the February contract yesterday, but all other months increased. Traders ignored the poor weekly export sales from the week of Christmas, which came in at a small negative number due to cancellations. February tested gap resistance from back on October 13 yesterday and needs to close over 86.70 to clear the gap, which would open the door for further upside potential. The USDA estimated hog slaughter came in at 498,000 head Monday. This was up from 450,000 last week and up from 445,608 a year ago. The USDA pork cutout, released after the close Monday, came in at \$93.96, down 63 cents from Friday and down from \$98.20 the previous week.



Hogs positioning in the Commitments of Traders for the week ending December 30th showed Managed Money traders added 3,596 contracts to their already long position and are now net long 78,921. CIT traders were net long 106,375 contracts after increasing their already long position by 259 contracts. Non-Commercial No CIT traders are net long 36,002 contracts after net buying 2,454 contracts. Non-Commercial & Non-Reportable traders net bought 1,283 contracts and are now net long 74,633 contracts.

U.S. pork export sales for the week ending December 25 came in at -300 tonnes (cancelations) compared with the average of the previous four weeks of 32,900 tonnes. Cumulative sales for the 2025 marketing year have reached 1,676,300 tonnes, down 1.4% versus last year's pace. CME Lean Hog Index as of December 31 was 81.85, down -0.41 for the day and down -1.99 versus a week ago. This is the lowest since December 9.

TODAY'S MARKET IDEAS:

Yesterday's February hog breakout to the upside came on strong trading volume, adding significance to the signal. However, yesterday's high stopped just short of filling the mid-October gap at 86.70. Technically, the market will need to clear that level and if it does, next upside resistance is 89.75.

TRADE IDEAS:

No new recommendations for today.

Commitment of Traders - Futures and Options - 12/23/2025 - 12/30/2025						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	87,940	+3,093	-74,634	-1,284	-13,307	-1,810

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/06/2026: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next downside target is 83.550. The next area of resistance is around 87.250 and 87.970, while 1st support hits today at 85.050 and below there at 83.550.

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	235.870	72.57	65.48	79.77	83.77	233.49	231.39	230.47	224.56	228.56
FCH26	355.575	83.20	73.27	90.72	93.35	349.61	344.31	339.80	326.97	334.77
LHG26	86.150	62.77	60.42	75.26	74.89	85.20	85.13	84.41	82.12	82.82

Calculations based on previous session. Data collected 01/05/2026
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	233.500	234.600	236.020	237.120	238.550
FCH26	Feeder Cattle	351.368	353.587	355.343	357.562	359.318
LHG26	Lean Hogs	83.520	85.020	85.750	87.250	87.970

Calculations based on previous session. Data collected 01/05/2026
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