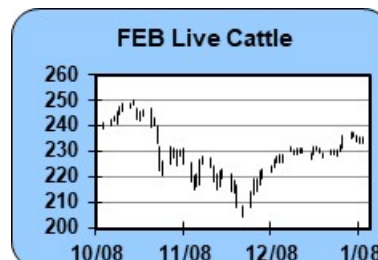


DAILY CATTLE COMMENTARY

1/12/2026

Managed Money extends heavy net long position

The cattle complex encountered some profit-taking on Friday and closed weaker. Slightly higher cash sales Friday afternoon may support the opening this morning, but the stock market is significantly weaker today, offering an additional headwind. COT data through January 6 showed Managed Money increased their net long slightly to just under 95,000 contracts in live cattle and increased net longs in feeders to a 7-week high. The significant net fund long is vulnerable to long liquidation if prices break support, but the overall uptrend since mid-November remains in place. Live cattle open interest dropped nearly 4100 contracts on Friday, mostly due to February liquidation. Cash cattle trade on Friday in the north was 232 - 233 and in the South at 232, both steady to a dollar higher than the prior week. The 5 - area, 5 - day weighted average the week ended at 231.79, up from 231.06 at the end of the previous week. The USDA estimated cattle slaughter came in at 86,000 head Friday and 2,000 head for Saturday. This brought the total for last week to 553,000 head, up from 474,000 the previous week but down from 591,422 a year ago. The estimated average dressed cattle weight for the week ending January 10 is 894 pounds, down from 896 the previous week and up from 882 a year ago. The 5-year average weight for that week is 847 pounds. Estimated beef production last week was 493.3 million pounds, down from 520.4 million a year ago. The USDA boxed beef cutout was down \$1.55 at mid-session Friday and closed \$1.16 lower at \$355.63. This was up from \$349.97 the previous week.



The January 6th Commitments of Traders report showed Cattle Managed Money traders are net long 94,761 contracts after net buying 1,786 contracts. CIT traders were net long 97,233 contracts after increasing their already long position by 1,330 contracts. Non-Commercial No CIT traders were net long 61,464 contracts after increasing their already long position by 1,941 contracts. Non-Commercial & Non-Reportable traders net bought 3,350 contracts and are now net long 94,392 contracts.

TODAY'S MARKET IDEAS:

April live cattle has nearby support at 232.55. A breach of that level would turn the short-term technical outlook lower and stochastics did give a sell signal late last week. A weak stock market this morning could add some additional pressure.

TRADE IDEAS:

No new recommendations for today.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 01/12/2026: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 231.620. The next area of resistance is around 234.920 and 236.500, while 1st support hits today at 232.520 and below there at 231.620.

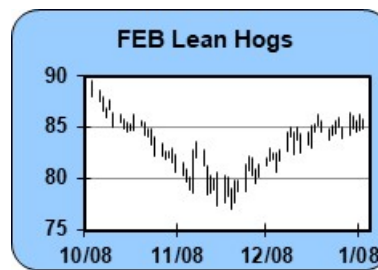
FEEDER CATTLE (MAR) 01/12/2026: The daily stochastics gave a bearish indicator with a crossover down. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The downside closing price reversal on the daily chart is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 350.275. The next area of resistance is around 357.300 and 360.675, while 1st support hits today at 352.100 and below there at 350.275.

DAILY HOGS COMMENTARY

1/12/2026

Weekly kill 6% above last year, April near 3-month highs

April hogs closed near unchanged Friday and near the highs of the last 3 months. Last week's slaughter came in very large and nearly 6% above last year. No new updates on ASF in Spain over the weekend and the path of least resistance for hogs looks higher following the strong finish last week. COT data for the week of January 6 showed managed Money increased their net long positions to near 82,000 contracts. Open interest dropped more than 9000 contracts in the February on Friday but rose in all other months as a Goldman roll continues. CME Lean Hog Index as of January 7 was 80.98, down -0.27 for the day and down -1.28 versus a week ago. This is the lowest since January 14. The USDA estimated hog slaughter came in at 484,000 head Friday and 233,000 head for Saturday. This brought the total for last week to 2.683 million head, up from 2.228 million the previous week and up from 2.534 million a year ago. Estimated US pork production for the week ending January 10 is 586.0 million pounds, up from 487.1 the previous week and up from 553.2 a year ago. The USDA pork cutout, released after the close Friday, came in at \$92.00, up \$1.69 from Thursday but down from \$94.59 the previous week.



The Commitments of Traders report for the week ending January 6th showed Hogs Managed Money traders were net long 81,858 contracts after increasing their already long position by 2,937 contracts. CIT traders were net long 110,057 contracts after increasing their already long position by 3,682 contracts. Non-Commercial No CIT traders net bought 1,479 contracts and are now net long 37,481 contracts. Non-Commercial & Non-Reportable traders are net long 77,539 contracts after net buying 2,906 contracts.

TODAY'S MARKET IDEAS:

On Friday, April hogs did not give back much of Thursday's gains and if prices gap higher this morning, the uptrend could accelerate. Fundamentally, the market is holding up despite very strong pork production. Initial nearby resistance on April is 92.90 and then the contract highs at 94.72.

TRADE IDEAS:

No new recommendations for today.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/12/2026: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 84.370. The next area of resistance is around 85.750 and 86.250, while 1st support hits today at 84.850 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	233.700	57.51	57.85	79.38	74.83	235.04	233.68	231.82	225.16	227.82
FCH26	354.700	67.41	65.88	91.20	88.88	356.74	351.89	344.92	329.49	333.86
LHG26	85.270	54.17	54.97	72.83	71.16	85.41	85.21	84.89	82.43	82.75

Calculations based on previous session. Data collected 01/09/2026

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	231.600	232.500	234.050	234.920	236.500
FCH26	Feeder Cattle	350.275	352.100	355.475	357.300	360.675
LHG26	Lean Hogs	84.350	84.820	85.300	85.750	86.250

Calculations based on previous session. Data collected 01/09/2026

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