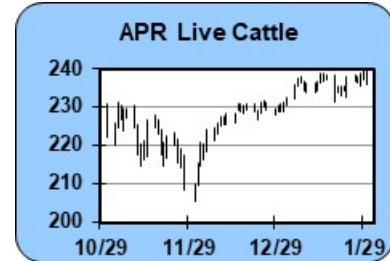


### DAILY CATTLE COMMENTARY

2/2/2026

#### Inventory report pegs cattle herd at 75-year low

Live cattle closed slightly weaker on Friday but late day cash trade may be a friendly factor for this morning's opening. The semiannual cattle inventory report showed total inventory at 99.6% of a year ago, compared to an estimate of 99.7%, beef cows were 99% versus the estimate of 100.4% and the total calf crop was lower at 98.4%, compared to 99.3% estimated. Overall, the report showed cattle inventory remains at a 75-year low. Upside momentum in live cattle stalled last week and prices were unable to move above 240 on April.



Broad commodity selling over the last couple of sessions may be a headwind today but the inventory report keeps the focus on tight supplies and the bulls retain the edge. CFTC data showed managed Money increased their net long in live cattle modestly to just under 106,000 contracts. Cash trade late Friday was active in the north at 235 - 241, up \$1 - \$6 from the previous week and trade in the South was 238 - 241, \$4 - \$6 higher. The 5 - area, 5 - day weighted average the week ended at 239.36, up from 234.6 the previous week. Last week's slaughter total was 531,000 head, down from 535,000 the previous week and down from 601,785 a year ago. The USDA boxed beef cutout was down \$1.22 at mid-session Friday and closed \$2.10 lower at \$365.56. This was down from \$368.92 the previous week. The estimated average dressed cattle weight for the week ending January 31 is 897 pounds, unchanged from 897 the previous week and up from 875 a year ago. The 5-year average weight for that week is 845 pounds. Estimated beef production last week was 475.1 million pounds, down from 525.3 million a year ago.

#### TODAY'S MARKET IDEAS:

April live cattle moved up last Thursday morning and filled the gap from late October before reversing and closing lower. Following a lower close Friday, the market needs to have a better performance today or fund long liquidation may increase. Initial support is last week's low at 235.60 and key support remains at the January low of 231.27 on April.

#### TRADE IDEAS:

No new recommendations for today.

Commitment of Traders - Futures and Options - 1/20/2026 - 1/27/2026							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
<b>Livestock</b>							
Feeder Cattle	16,524	+707	-7,554	+120	-8,969	-826	
Cattle	123,151	+341	-103,214	-955	-19,937	+614	

#### 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 (APR) 02/02/2026: The upside crossover of the 9 and 18 bar moving average is a positive signal. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower from

overbought levels is a bearish indicator and would tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. A negative signal was given by the outside day down. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 233.470. The next area of resistance is around 238.700 and 241.150, while 1st support hits today at 234.900 and below there at 233.470.

FEEDER CATTLE (MAR) 02/02/2026: A bearish signal was triggered on a crossover down in the daily stochastics. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-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 now at 353.544. The next area of resistance is around 364.112 and 368.893, while 1st support hits today at 356.438 and below there at 353.544.

## DAILY HOGS COMMENTARY

2/2/2026

### last week's gap points to further pullback

April closed near the lows of the week on Friday following the gap lower last Wednesday, which continues to be a negative technical factor and may result in fund long liquidation as the latest CFTC data showed a significant 17% increase in the fund net long last week to just under 114,000. The US dollar is following through to the upside after the bounce late last week and that may be a headwind for hogs today. As we've mentioned before, April hogs have had almost no meaningful correction since mid-November and last week's gap lower may have been the start of an overdue pullback. CME Lean Hog Index as of January 28 was 85.72, up 0.50 for the day and up 2.65 versus a week ago. This is the highest since November 20. The USDA estimated hog slaughter came in at 486,000 head Friday and 171,000 head for Saturday. This brought the total for last week to 2.522 million head, up from 2.468 million the previous week but down from 2.560 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$94.06, up 99 cents from Thursday but down from \$95.28 the previous week. Estimated US pork production for the week ending January 31 is 555.6 million pounds, up from 546.2 the previous week and down from 557.7 a year ago.



### TODAY'S MARKET IDEAS:

A rally on April to fill the gap at 96.40 may encounter heavy resistance. If April is unable to test the gap, a pullback to support near 92.50 may come first.

### TRADE IDEAS:

Aggressive speculators may try the sell side near gap resistance at 96.30 or above on April, risking to 97.70.

Commitment of Traders - Futures and Options - 1/20/2026 - 1/27/2026						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	124,458	+14,455	-107,211	-12,233	-17,247	-2,222

## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/02/2026: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 94.300. The next area of resistance is around 95.550 and 95.920, while 1st support hits today at 94.750 and below there at 94.300.

### 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
<b>MEAT COMPLEX</b>										
LCJ26	236.800	53.86	55.87	73.99	73.05	237.55	236.61	236.54	230.91	228.08
FCH26	360.275	53.84	57.99	75.49	69.20	363.31	361.37	359.91	344.02	336.72
LHJ26	95.150	58.20	61.45	81.78	75.53	95.64	95.84	94.06	90.34	88.72

Calculations based on previous session. Data collected 01/30/2026

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

### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCJ26	Live Cattle	233.450	234.870	237.300	238.700	241.150
FCH26	Feeder Cattle	353.543	356.437	361.218	364.112	368.893
LHJ26	Lean Hogs	94.270	94.720	95.100	95.550	95.920

Calculations based on previous session. Data collected 01/30/2026

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