

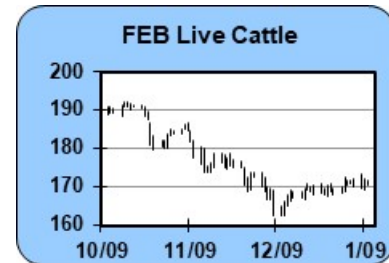


DAILY CATTLE COMMENTARY

1/11/2024

Weaker slaughter backs up supplies

With the Tyson and Cargill packing plants in Kansas resuming operations, slaughter is rebounding but weather will remain a significant issue. Saturday shift is expected to make up some of the shortfall, but temperatures will be extremely low this weekend and next week which could affect operations again. Subzero lows are expected as far south as the southern Texas Panhandle and the Oklahoma/Texas border. The weaker slaughter rates this week do not appear large enough to harvest the available supplies, which may add some pressure to the market as we close out the week. Negotiated trade this week has been at a standstill but there was trade in Iowa/Minnesota yesterday at 175 for 1414 head. The USDA estimated cattle slaughter came in at 113,000 head yesterday. This brings the total for the week so far to 301,000 head, up from 254,000 last week at this time but down from 379,539 a year ago. The USDA boxed beef cutout was up \$1.79 at mid-session yesterday and closed \$2.91 higher at \$283.07. This was up from \$278.03 the previous week.



TODAY'S MARKET IDEAS:

Carcass weights are no longer increasing, and weather is causing a backup of cattle in feedlots. With extreme low temperatures on the way, the problem may get even worse. February futures prices are still under the influence of the outside reversal lower seen on Tuesday and important resistance remains at 173.25. Retracement support sits at 167.82 and 166.55 on February futures.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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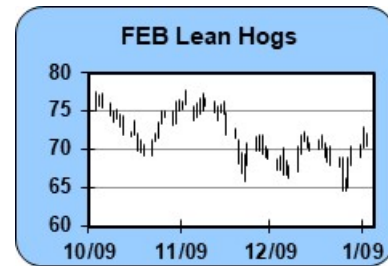
LIVE CATTLE (FEB) 01/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 169.570. The next area of resistance is around 171.420 and 172.370, while 1st support hits today at 170.050 and below there at 169.570.

FEEDER CATTLE (MAR) 01/11/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 223.619. The next area of resistance is around 227.287 and 228.268, while 1st support hits today at 224.963 and below there at 223.619.

DAILY HOGS COMMENTARY
1/11/2024

Extreme temps supportive

February futures shot higher Wednesday on continued short covering and reports November pork exports were a 3-year high. February prices closed for a 2nd day above the 50-day moving average for the 1st time since mid-November. Extreme subzero lows heading into the Midwest may keep price breaks limited through the end of the week. The CME Lean Hog Index as of January 8 was 65.83, up from 65.74 the previous session and from 65.05 the previous week. The USDA estimated hog slaughter came in at 470,000 head yesterday. This brings the total for the week so far to 1.312 million head, up from 961,000 last week at this time but down from 1.437 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$85.31, up \$2.43 from Tuesday and up from \$81.80 the previous week and a 6-week high. The average hog weight for Iowa-Southern Minnesota as of January 6 was 293.1 pounds, up from 292.5 pounds the previous week and up from 291.7 a year ago. The 5-year average is 290.0 pounds.



China's national average spot pig price as of January 11 was down 1.22% from the previous day. For the week prices are down 2.48%, down 4.45% for the month and down 4.45% year to date and down 5.57% versus a year ago. Dalian live hog futures as of January 11 were down 0.0% from the previous day. For the week prices are down 1.5% and down 1.82% for the month and down 1.82% year to date.

TODAY'S MARKET IDEAS:

February hogs key resistance is 73.70, the 100-day moving average, and a close above 72.45, which was December's high, would turn the medium-term trend up. Another layer of resistance at the important 100-day moving average, which hasn't been breached since mid-September, sits at 73.75. The anticipated extremely low temperatures across the hog belt this weekend and next week is a supportive factor.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/11/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 73.400. The next area of resistance is around 72.920 and 73.400, while 1st support hits today at 71.250 and below there at 70.020.

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
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MEAT COMPLEX

LCG24	170.750	53.66	50.07	65.60	60.56	170.51	170.49	169.85	171.46	174.96
FCH24	226.125	57.49	53.08	70.67	67.31	225.06	225.06	224.37	224.54	229.31
LHG24	72.070	62.43	56.69	60.45	74.74	71.14	68.96	69.81	71.05	71.46

Calculations based on previous session. Data collected 01/10/2024

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						
LCG24	Live Cattle	169.550	170.020	170.950	171.420	172.370
FCH24	Feeder Cattle	223.618	224.962	225.943	227.287	228.268
LHG24	Lean Hogs	70.000	71.220	71.700	72.920	73.400

Calculations based on previous session. Data collected 01/10/2024

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