

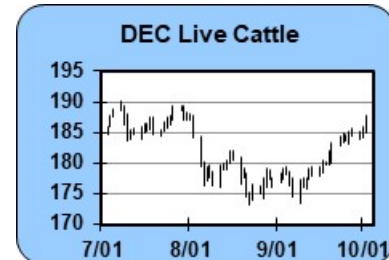
DAILY CATTLE COMMENTARY

10/3/2024

Port strike limiting beef imports seen as bullish

December cattle prices shot higher yesterday on talk that the dockworkers strike is preventing imports of beef that restaurants and retailers rely on to make hamburgers. Along with expectations of higher cash bids this week, the ongoing strike is being viewed as bullish by the market. Look for next resistance on December live cattle at the late July highs of 189.50. Some light cash cattle trade was seen yesterday in Iowa at 187 and in Texas at 186. The 5-area, 5-day weighted average for the week is now 186.07, slightly above the 186.05 at the end of last week.

The USDA estimated cattle slaughter came in at 124,000 head Wednesday. This brings the total for the week so far to 367,000 head, up from 363,000 last week at this time but down from 373,888 a year ago. The USDA boxed beef cutout was up 8 cents at mid-session Wednesday and closed 36 cents lower at \$299.81. This was up from \$298.17 the previous week.



TODAY'S MARKET IDEAS:

An extension of the longshoreman strike into next week could further affect US beef imports to the East and Gulf Coast ports and traders are seeing the situation through a bullish lens. In addition, higher futures prices this week will likely mean packers will have to increase cash bids. December live cattle nearby resistance is 188.30, but the upside run may continue to the late July highs at 189.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

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 (DEC) 10/03/2024: The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 189.750. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 189.050 and 189.750, while 1st support hits today at 186.350 and below there at 184.320.

FEEDER CATTLE (NOV) 10/03/2024: 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 close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 251.831. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 250.687 and 251.831, while 1st support hits today at 246.413 and below there at 243.282.

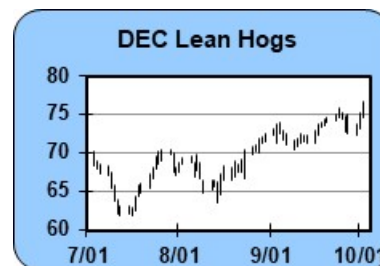
DAILY HOGS COMMENTARY

10/3/2024

December futures hit 4 1/2 month high

December hogs followed beef prices higher yesterday and jumped to their highest level since late May. Worries over pork imports being affected by the dockworkers strike as well as pork exports may push December hogs to test the 2024 highs at 79.60. The bullish technical outlook continues to drive prices to the upside with the next nearby resistance up at 77.75 for the December futures. The average hog weight for Iowa-Southern Minnesota as of September 28 was 284.2 pounds, up from 283.4 pounds the previous week and up from 281.9 pounds a year ago. The 5-year average is 281.9 pounds. The CME

Lean Hog Index as of September 30 was 84.13, up from 84.01 the previous session but down from 84.21 the previous week. The USDA estimated hog slaughter came in at 486,000 head Wednesday. This brings the total for the week so far to 1.457 million head, up from 1.452 million last week at this time and up from 1.455 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$94.71, down 90 cents from Tuesday but up from \$92.34 the previous week.



TODAY'S MARKET IDEAS:

Hog prices continue to trend higher with a new high for the move yesterday and the chart shows no sign of a top at this point. A potential test of the 2024 highs at 79.60 may be next if prices can pass the 1st resistance hurdle at 77.75. Look for pullback support at 73.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/03/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 78.400. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 77.820 and 78.400, while 1st support hits today at 75.650 and below there at 74.050.

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										
LCZ24	187.700	83.62	73.47	92.90	94.40	185.54	184.75	181.64	179.76	181.48
FCX24	248.550	79.73	69.95	92.19	92.48	245.96	244.53	240.16	238.14	242.71
LHZ24	76.750	74.48	69.93	72.32	77.86	74.50	74.54	73.46	71.00	69.84

Calculations based on previous session. Data collected 10/02/2024
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						
LCZ24	Live Cattle	184.300	186.320	187.020	189.050	189.750
FCX24	Feeder Cattle	243.281	246.412	247.556	250.687	251.831
LHZ24	Lean Hogs	74.020	75.620	76.200	77.820	78.400

Calculations based on previous session. Data collected 10/02/2024
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