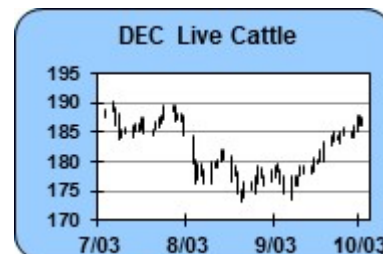


DAILY CATTLE COMMENTARY

10/7/2024

Price held up despite port strike suspension

Cash trade late last week was mostly \$1 higher in the major areas and the 5-area, 5-day weighted average for the week ended at 186.30, up from 186.05 the previous week. CFTC data showed managed Money traders were significant buyers for the 2nd week in a row and net fund longs stand at 63,404 contracts as of Tuesday of last week, up 11,180 from the prior week and up 25,000 in the last 2 weeks. Cattle fundamentals have not changed dramatically enough to account for the significant futures rally lately, and it is clear since the Fed rate cut a few weeks ago, commodity prices have been in vogue and new investment money is entering the space. Look for resistance on December live cattle at 189.50.



The USDA estimated cattle slaughter came in at 108,000 head Friday and 9,000 head for Saturday. This brought the total for last week to 612,000 head, up from 610,000 the previous week and up from 611,682 a year ago. The estimated average dressed cattle weight for the week ending October 5 is 862 pounds, up from 858 the previous week and up from 831 a year ago. The 5-year average weight for that week is 831 pounds. Estimated beef production last week was 525.4 million pounds, up from 520.1 million a year ago. Year-to-date beef production is 20.21 billion pounds, down from 20.36 year ago. The USDA boxed beef cutout was up \$2.56 at mid-session Friday and closed \$2.78 higher at \$302.58. This was up from \$296.69 the previous week.

Cattle positioning in the Commitments of Traders for the week ending October 1st showed Managed Money traders net bought 11,180 contracts and are now net long 63,404 contracts. CIT traders added 2,359 contracts to their already long position and are now net long 94,770. Non-Commercial No CIT traders were net long 43,988 contracts after increasing their already long position by 18,414 contracts. Non-Commercial & Non-Reportable traders are net long 62,365 contracts after net buying 17,864 contracts.

TODAY'S MARKET IDEAS:

Surprisingly, the suspension of the port strike had no effect on prices late last week. December prices have not given any definitive sign of a technical top yet although prices are in overbought territory and short-term technical indicators are threatening to turn lower. However, Managed Money traders have been heavy buyers lately and as long as that continues, small breaks will be supported.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 9/24/2024 - 10/1/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	1,187	+3,959	4,106	-1,809	-5,293	-2,150
Cattle	88,866	+20,919	-62,365	-17,864	-26,501	-3,055

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.

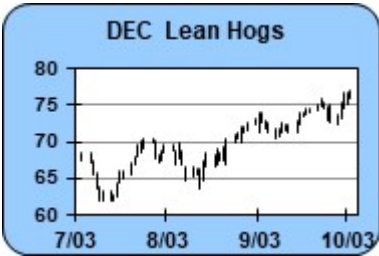
LIVE CATTLE (DEC) 10/07/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 185.620. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 187.620 and 188.100, while 1st support hits today at 186.400 and below there at 185.620.

FEEDER CATTLE (NOV) 10/07/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 251.168. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 250.412 and 251.168, while 1st support hits today at 248.138 and below there at 246.619.

DAILY HOGS COMMENTARY
10/7/2024

Managed Money increases net longs

December hogs hit their highest price since late May on Friday, closing the week very strong. Estimated US pork production for the week ending October 5 was strong at 548.8 million pounds, up from 539.7 the previous week and up from 541.5 a year ago. Year-to-date production is 20.94 billion pounds, up from 20.60 last year. Open interest has been rising lately as funds have been buyers and CFTC data showed Managed Money longs at 57,052 contracts as of Tuesday of last week, up 5500 from the previous week. Clearly, the Fed rate cut a couple weeks ago has encouraged commodity buying. Look for next resistance on December at 77.75. No technical top formation has been seen yet. The CME Lean Hog Index as of October 2 was 84.90, up from 84.45 the previous session and from 84.07 the previous week. The USDA estimated hog slaughter came in at 480,000 head Friday and 152,000 head for Saturday. This brought the total for last week to 2.569 million head, up from 2.506 million the previous week but down from 2.617 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$93.56, down 30 cents from Thursday and down from \$94.85 the previous week.



The Commitments of Traders report for the week ending October 1st showed Hogs Managed Money traders were net long 57,052 contracts after increasing their already long position by 5,447 contracts. CIT traders are net long 101,688 contracts after net selling 1,139 contracts. Non-Commercial No CIT traders are net long 21,797 contracts after net buying 12,823 contracts. Non-Commercial & Non-Reportable traders were net long 62,093 contracts after increasing their already long position by 10,639 contracts.

TODAY'S MARKET IDEAS:

The suspension of the dockworkers strike had little effect on the market late last week and prices continue to inch higher. Look for next resistance at 77.75 on December and until a technical top is formed, the short-term uptrend is likely to continue. Look for support at 73.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 9/24/2024 - 10/1/2024					
Non-Commercial			Commercial		Non-Reportable
		Weekly			Weekly
Net Position	Net Change	Net Position	Net Change	Net Position	Net Change
Livestock					

Hogs	74,968	+12,206	-62,091	-10,638	-12,875	-1,567
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PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/07/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 77.520. The next area of resistance is around 76.770 and 77.520, while 1st support hits today at 75.550 and below there at 75.050.

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	187.000	73.07	68.06	91.93	91.08	186.57	185.46	182.76	179.78	181.53
FCX24	249.275	79.13	70.31	92.86	94.03	247.66	245.96	242.01	237.97	242.50
LHZ24	76.150	67.56	65.71	78.14	82.60	75.98	74.93	74.04	71.32	70.30

Calculations based on previous session. Data collected 10/04/2024

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	185.600	186.370	186.850	187.620	188.100
FCX24	Feeder Cattle	246.618	248.137	248.893	250.412	251.168
LHZ24	Lean Hogs	75.020	75.520	76.270	76.770	77.520

Calculations based on previous session. Data collected 10/04/2024

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

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