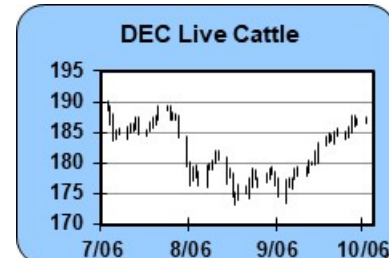


DAILY CATTLE COMMENTARY

10/8/2024

High weights, high beef production may slow rally

December live cattle closed near steady yesterday. High fed cattle weights and very strong beef production over the last month may limit a further live cattle rally as December prices are already up nearly \$15.00 since early September. Look for stiff resistance if prices try and move above 188.00. Pullback support starts at 183.95. There was light cash trade to start the week in the north at \$187 on Monday and the 5-area, 5-day weighted average remains unchanged from last week at 186.77. Packer purchases last week were the lowest in 6 weeks. Showlist size this week is expected up 889 head in Texas to 87,131, up 5360 in Kansas at 82,438 and up 317 in Nebraska/Colorado to 66,769. The USDA estimated cattle slaughter came in at 110,000 head Monday. This was down from 119,000 last week and down from 123,196 a year ago. The USDA boxed beef cutout was up \$2.79 at mid-session Monday and closed \$3.35 higher at \$305.93. This was up from \$298.08 the previous week.



TODAY'S MARKET IDEAS:

The recent technical uptrend remains in place in December live cattle, but overbought conditions and waning momentum may be a signal prices are ready to pull back. Once a technical top is formed, Managed Money traders may liquidate some of the longs added on this rally, fueling the next break. Look for heavy resistance above 188.00 and pullback support at 183.95.

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) 10/08/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 186.050. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 187.520 and 188.020, while 1st support hits today at 186.550 and below there at 186.050.

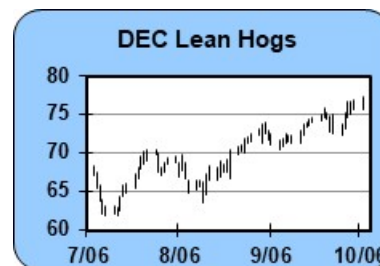
FEEDER CATTLE (NOV) 10/08/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 250.687. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 249.900 and 250.687, while 1st support hits today at 248.400 and below there at 247.688.

DAILY HOGS COMMENTARY

10/8/2024

December closes at a 4 1/2 month high

December hogs settled at its highest price in 4 1/2 months yesterday and the uptrend since mid-August has reached nearly \$14.00. Hog weights last week were just less than 1% above last year. Commodity inflows have helped push hogs higher recently, but the US Dollar has bounced back and energy prices are beginning to pull back, which may be an indication the pace of inflows is fading after the very strong jobs report late last week. Technical action remains strong, and December prices will need to see a reversal down or some other potential bearish signal to scare the funds into exiting new longs. The CME Lean Hog Index as of October 3 was 84.83, down from 84.90 the previous session but up from 84.03 the previous week. The USDA estimated hog slaughter came in at 488,000 head Monday. This was up from 485,000 last week and up from 481,394 a year ago. The USDA pork cutout, released after the close Monday, came in at \$95.62, up \$2.06 from Friday and up from \$95.23 the previous week.



TODAY'S MARKET IDEAS:

December hogs are in overbought territory but have not given any signal of the top at this point. The uptrend remains in place and with prices on an extended upside run, the next bearish technical signal will likely result in the start of a pullback. Look for next resistance at 77.75 on December and support at 73.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/08/2024: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 78.250. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 77.600 and 78.250, while 1st support hits today at 76.050 and below there at 75.120.

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	187.020	73.17	68.12	91.49	90.60	187.03	185.75	183.30	179.89	181.56
FCX24	249.150	78.17	69.82	93.19	93.84	248.78	246.60	242.85	238.05	242.37
LHZ24	76.820	71.18	68.14	80.37	84.84	76.53	75.13	74.29	71.49	70.55

Calculations based on previous session. Data collected 10/07/2024

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	186.020	186.520	187.020	187.520	188.020
FCX24	Feeder Cattle	247.687	248.400	249.187	249.900	250.687
LHZ24	Lean Hogs	75.100	76.020	76.670	77.600	78.250

Calculations based on previous session. Data collected 10/07/2024

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