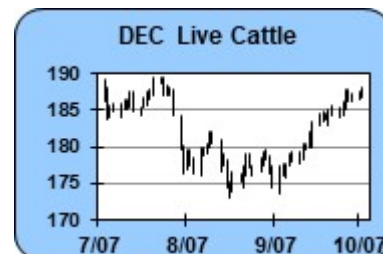


DAILY CATTLE COMMENTARY

10/9/2024

Bull trend continues to march higher

December live cattle closed at a 9-week high yesterday on strong cutout values and a continuation of the sharp uptrend seen over the last 40 days. Worries over consumer beef demand seem to have disappeared after the Fed rate cut a couple weeks ago and small breaks have been buying opportunities. Look for next significant resistance on December live cattle at the late July highs of 189.50. The world's largest fast-food chain, McDonald's, is suing several US meat companies including Tyson Foods, JBS, Cargill and National Beef alleging they have manipulated beef prices since 2015. Light cash trade yesterday in the north was reported for the 2nd day in a row at \$187. The 5-area, 5-day weighted average remains unchanged from the end of last week at 186.77. The USDA estimated cattle slaughter came in at 124,000 head Tuesday. This brings the total for the week so far to 234,000 head, down from 243,000 last week at this time and down from 251,334 a year ago. The USDA boxed beef cutout was up \$1.09 at mid-session Tuesday and closed 91 cents higher at \$306.84. This was up from \$300.17 the previous week.



TODAY'S MARKET IDEAS:

The cattle rally marches on and December live cattle is showing no signs of a top yet. The technical action continues to be positive and short-term technical indicators have flatlined in overbought territory. Next resistance stands at the late July high at 189.50. Worries over consumer beef demand have faded to the background. Once a technical top is formed, Managed Money traders may liquidate some of the longs added on this rally, fueling the next break.

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) 10/09/2024: The crossover up in the daily stochastics is a bullish signal. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 188.820. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 188.470 and 188.820, while 1st support hits today at 187.270 and below there at 186.400.

FEEDER CATTLE (NOV) 10/09/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The outside day up is a positive signal. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 252.350. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 251.525 and 252.350, while 1st support hits today at 249.075 and below there at 247.450.

DAILY HOGS COMMENTARY

10/9/2024

No sign bull run is ending

December hogs uptrend remains intact and showed no signs of weakening yesterday. Prices closed just under resistance at 77.75 and if that level is exceeded, the market may target the April highs of 79.60. Monday's slaughter was revised down 17,000 head and the smaller than expected rise in slaughter lately has been a positive factor for the market along with the bullish technical picture. While packer margins are good, slaughter rates would suggest hog supplies are not as high as the market assumed. The CME Lean Hog Index as of October 4 was 84.26, down from 84.83 the previous session but up from 84.01 the previous week. The USDA estimated hog slaughter came in at 484,000 head Tuesday. This brings the total for the week so far to 955,000 head, down from 971,000 last week at this time and down from 968,558 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$94.44, down \$1.18 from Monday and down from \$95.61 the previous week.



TODAY'S MARKET IDEAS:

No change in the positive technical picture and December continues its steady/higher daily lows for the 6th consecutive session.

With prices on an extended upside run and technical indicators in overbought territory, the next bearish technical signal will likely result in the start of a pullback. Look for nearby resistance at 77.75 on December and support at 74.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/09/2024: Rising stochastics at overbought levels warrant some caution for bulls. 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 upside target is 78.070. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 77.670 and 78.070, while 1st support hits today at 76.670 and below there at 76.050.

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	187.870	76.26	70.29	92.05	93.18	187.08	186.14	183.82	180.11	181.60
FCX24	250.300	80.61	71.76	93.67	94.64	249.21	247.29	243.68	238.33	242.24
LHZ24	77.150	72.95	69.35	82.90	87.95	76.64	75.39	74.60	71.68	70.79

Calculations based on previous session. Data collected 10/08/2024
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	186.370	187.250	187.600	188.470	188.820
FCX24	Feeder Cattle	247.450	249.075	249.900	251.525	252.350
LHZ24	Lean Hogs	76.020	76.650	77.050	77.670	78.070

Calculations based on previous session. Data collected 10/08/2024
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