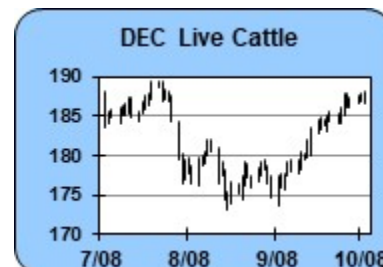


### DAILY CATTLE COMMENTARY

10/10/2024

#### Packer margins negative

December live cattle closed lower yesterday after making a new high for the move early in the session. This week's slaughter through yesterday is 8000 head lower than last week and packers are likely slowing the chain speed due to poor profitability. A technical top has not been formed yet on December live cattle, although prices did see a reversal lower yesterday. Further weakness today could be a sign a pullback is beginning. This morning's weekly export sales were well below the four-week average. Cash trade yesterday once again was reported at \$187 in the north for the 3rd day in a row, steady with last week. The 5-area, 5-day weighted average for the week is 186.82, compared to 186.77 at the end of last week. The USDA estimated cattle slaughter came in at 125,000 head Wednesday. This brings the total for the week so far to 359,000 head, down from 367,000 last week at this time and down from 376,989 a year ago. The USDA boxed beef cutout was up \$1.61 at mid-session Wednesday and closed \$1.34 higher at \$308.18. This was up from \$299.81 the previous week.



#### TODAY'S MARKET IDEAS:

December live cattle finished with a reversal lower yesterday, but similar action last week did not result in any downside follow-through. However, if prices close weak today, short-term technical indicators would turn down and point to the beginning of a pullback. Minor resistance at 188.00 on December stopped yesterday's rally and pullback support is 184.05. 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) 10/10/2024:** The daily stochastics have crossed over down which is a bearish indication. 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. The downside closing price reversal on the daily chart is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside objective is 185.800. The next area of resistance is around 187.950 and 188.770, while 1st support hits today at 186.500 and below there at 185.800.

**FEEDER CATTLE (NOV) 10/10/2024:** A bearish signal was triggered on a crossover down in the daily stochastics. 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. The daily closing price reversal down puts the market on the defensive. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 245.988. The next area of resistance is around 250.175 and 251.987, while 1st support hits

today at 247.175 and below there at 245.988.

## DAILY HOGS COMMENTARY

10/10/2024

### Weekly export sales stronger than expected

December hogs fell sharply yesterday, and the bull trend will be put to the test as prices near the 20-day moving average, which has proved to be solid support since mid-August. The average sits at 74.70 today and a close below that level would suggest prices could pull back below 72.00. This morning's weekly export sales were stronger than expected, despite the recent rally in the US Dollar. The average hog weight for Iowa-Southern Minnesota as of October 5 was 284.8 pounds, up from 284.2 pounds the previous week and up from 281.9 a year ago. The 5-year average is 282.5 pounds. The CME Lean Hog Index as of October 7 was 84.22, down from 84.26 the previous session but up from 84.13 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 1.441 million head, down from 1.457 million last week at this time and down from 1.452 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$94.65, up 26 cents from Tuesday but down from \$94.71 the previous week.



### TODAY'S MARKET IDEAS:

Yesterday's weakness in December hogs could be significant if prices close below key support at 74.70. Weekly export sales this morning came in better than expected and if prices are unable to strengthen today, the recent rally may be showing signs of ending. Stochastics gave a sell signal yesterday. Resistance remains at 77.75.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/10/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 73.720. The next area of resistance is around 76.650 and 78.020, while 1st support hits today at 74.520 and below there at 73.720.

### 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	187.200	69.38	66.56	92.01	91.94	187.28	186.41	184.30	180.31	181.61
FCX24	248.675	68.44	65.38	92.62	90.51	249.35	247.71	244.43	238.57	242.08
LHZ24	75.570	55.49	58.40	81.74	79.44	76.43	75.57	74.84	71.83	70.98

Calculations based on previous session. Data collected 10/09/2024  
Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCZ24	Live Cattle	185.770	186.450	187.270	187.950	188.770
FCX24	Feeder Cattle	245.987	247.175	248.987	250.175	251.987
LHZ24	Lean Hogs	73.700	74.500	75.850	76.650	78.020

Calculations based on previous session. Data collected 10/09/2024  
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