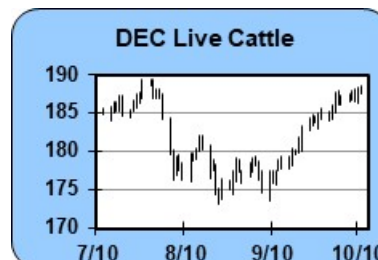


DAILY CATTLE COMMENTARY

10/14/2024

Global 2025 beef production seen declining.8% from 2024

Despite a lower close Friday, December live cattle prices had a strong week last week. Cash trade in the north ended mostly steady with prices \$1 higher in the South. The 5-area, 5-day weighted average for the week ended at 187.12, up from 186.77 at the end of the prior week. Choice cutout jumped sharply last week, the largest weekly jump since late spring. Weekly beef production fell last week to 504.1 million pounds, down from 512.4 million a year ago. Technical action has been very strong since early September with no major price correction seen.



With December prices bumping up against the spring and summer highs, the odds increase for a correction lower this week. Look for resistance at 189.50 and pullback support at 185.15. The estimated average dressed cattle weight for the week ending October 12 is 862 pounds, unchanged from 862 the previous week and up from 833 a year ago. The 5-year average weight for that week is 833 pounds. The USDA estimated cattle slaughter came in at 106,000 head Friday and 6,000 head for Saturday. This brought the total for last week to 586,000 head, down from 611,000 the previous week and down from 616,259 a year ago. The USDA boxed beef cutout was up \$1.10 at mid-session Friday and closed \$1.27 higher at \$311.22. This was up from \$302.58 the previous week.

Cattle positioning in the Commitments of Traders for the week ending October 8th showed Managed Money traders net bought 13,622 contracts and are now net long 77,026 contracts. CIT traders net bought 1,903 contracts and are now net long 96,673 contracts. Non-Commercial No CIT traders are net long 56,310 contracts after net buying 12,322 contracts. Non-Commercial & Non-Reportable traders added 9,944 contracts to their already long position and are now net long 72,309.

TODAY'S MARKET IDEAS:

After inching into new highs for the move early in the session Friday on December live cattle, prices closed lower, setting up the possibility for a lower opening to start the week. Cash trade Friday was steady with prices earlier in the week. Significant resistance looms just above the market at the late July highs of 189.50 and the early July highs at 190.07. We expect the market to find heavy resistance in those areas following the \$15.00 rally since early September. Nearby pullback support is now 185.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 10/1/2024 - 10/8/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	3,919	+2,732	2,439	-1,667	-6,358	-1,065
Cattle	101,879	+13,013	-72,308	-9,943	-29,570	-3,069

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) 10/14/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 186.720. The next area of resistance is around 188.100 and 188.850, while 1st support hits today at 187.050 and below there at 186.720.

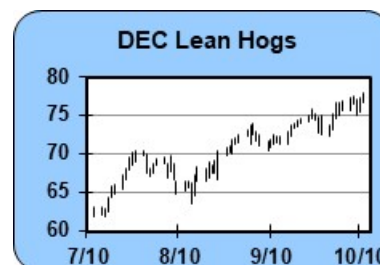
FEEDER CATTLE (NOV) 10/14/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 248.875. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 250.350 and 251.075, while 1st support hits today at 249.250 and below there at 248.875.

DAILY HOGS COMMENTARY

10/14/2024

Highest weekly close on December since late April

December hogs closed out last week at their highest level since late April and prices are showing no sign of a top. Speculative funds were significant buyers last week and increased their long positions by nearly 14,000 contracts. Net buying by funds has been seen in 7 of the last 8 weeks. December hogs appear to be headed for a test of the 2024 highs at 79.60. Look for pullback support at 75.40. 2025 global pork production is expected down .8% year-over-year and China output is expected to drop 2.2%. Estimated US pork production for the week ending October 12 is 548.7 million pounds, down from 548.8 the previous week and down from 550.7 a year ago. The CME Lean Hog Index as of October 9 was 84.47, unchanged from the previous session and down from 84.90 the previous week. The USDA estimated hog slaughter came in at 484,000 head Friday and 172,000 head for Saturday. This brought the total for last week to 2.584 million head, down from 2.586 million the previous week and down from 2.608 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$93.61, down \$1.06 from Thursday but up from \$93.56 the previous week.



Hogs positioning in the Commitments of Traders for the week ending October 8th showed Managed Money traders were net long 70,599 contracts after increasing their already long position by 13,547 contracts. CIT traders added 2,853 contracts to their already long position and are now net long 104,541. Non-Commercial No CIT traders added 12,807 contracts to their already long position and are now net long 34,604. Non-Commercial & Non-Reportable traders are net long 76,584 contracts after net buying 14,491 contracts.

TODAY'S MARKET IDEAS:

Managed Money buying was a feature last week and December hog prices closed at resistance of 77.75 Friday, their highest close since April. The 2024 highs at 79.60 look to be the next target. The strong price action indicates the hog numbers are falling short of expectations. Look for pullback support on December at 75.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 10/1/2024 - 10/8/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	91,222	+16,254	-76,584	-14,493	-14,638	-1,763

PORK 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.

LEAN HOGS (DEC) 10/14/2024: 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 78.670. The next area of resistance is around 78.250 and 78.670, while 1st support hits today at 77.070 and below there at 76.300.

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	187.570	66.65	65.41	91.65	90.23	187.74	187.14	185.28	180.78	181.67
FCX24	249.800	71.05	67.20	91.38	90.21	249.68	248.72	245.86	239.18	241.81
LHZ24	77.650	67.36	66.08	83.84	87.29	76.84	76.45	75.32	72.31	71.37

Calculations based on previous session. Data collected 10/11/2024

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	186.700	187.020	187.770	188.100	188.850
FCX24	Feeder Cattle	248.875	249.250	249.975	250.350	251.075
LHZ24	Lean Hogs	76.270	77.050	77.470	78.250	78.670

Calculations based on previous session. Data collected 10/11/2024

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.