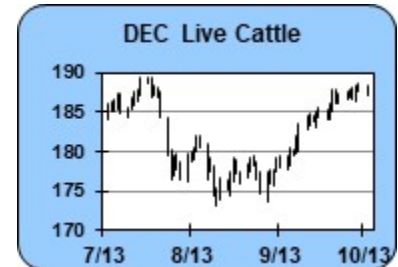


DAILY CATTLE COMMENTARY

10/15/2024

Lower than expected slaughter keeping prices firm

Last week's lower than expected slaughter and heavy packer purchasing of 93,000 head, the most since June, continues the positive market action. December live cattle had their 2nd highest close since late July yesterday. Light cash trade was seen in the north at \$187 yesterday. The 5-area, 5-day weighted average is 187.19, unchanged from the end of last week. Managed Money traders increased net long positions as of Tuesday of last week by 21.5% from the prior week and now hold a net long of 77,026 contracts. Once prices begin to roll over to the downside, Managed Money long liquidation could be a significant bearish factor. However, a technical top has not been seen yet and the trend remains higher. Showlist size this week is expected down 2110 head in Texas to 85,021, down 3878 head in Kansas at 78,560, and up 1016 in Nebraska/Colorado to 67,785. The USDA estimated cattle slaughter came in at 120,000 head Monday. This was up from 110,000 last week but down from 123,124 a year ago. The USDA boxed beef cutout was up \$1.59 at mid-session Monday and closed \$2.10 higher at \$313.32. This was up from \$305.93 the previous week. The previous low was \$311.22 on October 11. The previous high was \$315.90 on August 26.



TODAY'S MARKET IDEAS:

Last week's packer purchases were the largest since June and combined with the smaller than expected slaughter, prices are holding firm. Significant resistance is 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. Watch for some kind of technical top formation. Nearby pullback support is now 185.55.

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) 10/15/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 186.720. The next area of resistance is around 188.450 and 188.900, while 1st support hits today at 187.400 and below there at 186.720.

FEEDER CATTLE (NOV) 10/15/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. A negative signal was given by the outside day down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 247.663. The next area of resistance is around 250.675 and 252.062, while 1st support hits today at 248.475 and below

there at 247.663.

DAILY HOGS COMMENTARY

10/15/2024

December holds key moving average support

December hogs broke sharply yesterday but held moving average support. Last Friday, USDA revised 2024 pork production down by 105 million pounds from the September report, but production and exports for 2025 are expected higher than this year. The strong uptrend over the last couple of months remains intact but a close below 75.30 on December would be a sign the trend is weakening. The CME Lean Hog Index as of October 10 was 84.29, down from 84.47 the previous session and down from 84.83 the previous week. The USDA estimated hog slaughter came in at 479,000 head Monday. This was up from 471,000 last week but down from 479,068 a year ago. The USDA pork cutout, released after the close Monday, came in at \$94.37, up 76 cents from Friday but down from \$95.62 the previous week.



TODAY'S MARKET IDEAS:

December has not closed below the 20-day moving average since mid-August and the average stands at 75.30. A close below that level would point to a drop to next resistance at 73.80 and possibly 72.00. If the rally resumes, the next upside target would be the 2024 highs at 79.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/15/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 73.770. The next area of resistance is around 76.920 and 78.350, while 1st support hits today at 74.650 and below there at 73.770.

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	187.920	68.35	66.45	91.03	89.80	187.75	187.44	185.73	180.96	181.72
FCX24	249.575	69.26	66.27	90.20	87.84	249.50	249.27	246.50	239.43	241.72
LHZ24	75.770	52.26	55.72	82.06	78.49	76.49	76.59	75.43	72.52	71.51

Calculations based on previous session. Data collected 10/14/2024

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	187.370	187.800	188.450	188.900
FCX24	Feeder Cattle	247.662	248.475	249.862	250.675	252.062
LHZ24	Lean Hogs	73.750	74.620	76.050	76.920	78.350

Calculations based on previous session. Data collected 10/14/2024

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