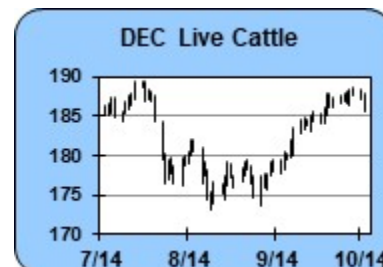


DAILY CATTLE COMMENTARY

10/16/2024

Technicals indicate uptrend weakening

Yesterday's price correction in December live cattle looked technical in nature with little new fundamental news. The 5-week price rally has had no major corrections and yesterday's drop suggests a pullback has finally begun. A close below 185.80 on December live cattle would confirm an interim top. Carcass weights for last week increased 5 pounds from the week prior and are now 29 pounds above the same week last year. No cash trade reported yesterday. The 5-area, 5-day weighted average for the week remains at 187.19, steady with last week. The USDA estimated cattle slaughter came in at 125,000 head Tuesday. This brings the total for the week so far to 245,000 head, up from 234,000 last week at this time but down from 250,484 a year ago. The USDA boxed beef cutout was up \$3.04 at mid-session Tuesday and closed \$3.51 higher at \$316.83. This was up from \$306.84 the previous week.



TODAY'S MARKET IDEAS:

December live cattle's break yesterday hit 20-day moving average support on the low and if prices move below 185.80 today, selling pressure could accelerate. If futures stay lower today and tomorrow, packers may be able to buy cattle cheaper than last week. The 1 1/2 month rally has had no significant correction but stochastics gave a sell signal yesterday. If yesterday's low does not hold, a more significant correction to the 50% retracement level at 181.05 would be possible on December live cattle.

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) 10/16/2024: 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 close below the 9-day moving average is an indication the short-term trend remains negative. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 184.370. The next area of resistance is around 187.650 and 188.850, while 1st support hits today at 185.420 and below there at 184.370.

FEEDER CATTLE (NOV) 10/16/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 2nd swing support number puts the market on the defensive. The next downside target is 243.088. The next area of resistance is around 248.450 and 250.987, while 1st support hits today at 244.500 and below there at 243.088.

DAILY HOGS COMMENTARY

10/16/2024

Open interest decline indicates fund longs exiting this week

December hogs had their lowest close in 2 weeks yesterday and open interest over the last couple of days has fallen sharply, indicating long liquidation. December prices closed slightly below key moving average support at 75.30 and downside follow-through today would confirm a further pullback. The CME Lean Hog Index as of October 11 was 84.16, down from 84.29 the previous session and from 84.26 the previous week. The USDA estimated hog slaughter came in at 487,000 head Tuesday. This brings the total for the week so far to 960,000 head, up from 955,000 last week at this time but down from 960,830 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$93.52, down 85 cents from Monday and down from \$94.39 the previous week.



TODAY'S MARKET IDEAS:

December hogs have not closed below the 20-day moving average since mid-August but did so yesterday, albeit only slightly below. Follow through to the downside today and a convincing close below the average at 75.30 would be a sign of a larger pullback beginning. The drop in open interest this week indicates some fund longs are heading for the exit. Look for next support at 73.80 and 72.30 on December.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/16/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 74.350. The next area of resistance is around 75.770 and 76.570, while 1st support hits today at 74.670 and below there at 74.350.

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	186.520	55.60	58.86	88.00	81.93	187.58	187.31	186.03	181.13	181.73
FCX24	246.475	49.80	54.89	85.44	75.92	248.95	249.04	246.78	239.65	241.56
LHZ24	75.220	48.47	52.94	77.78	69.22	76.41	76.42	75.48	72.73	71.64

Calculations based on previous session. Data collected 10/15/2024

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	184.350	185.400	186.600	187.650	188.850
FCX24	Feeder Cattle	243.087	244.500	247.037	248.450	250.987
LHZ24	Lean Hogs	74.320	74.650	75.450	75.770	76.570

Calculations based on previous session. Data collected 10/15/2024

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

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