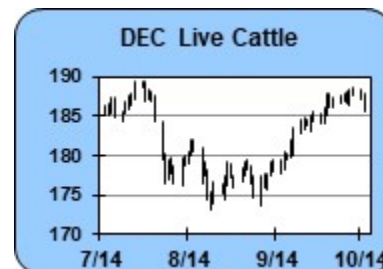


DAILY CATTLE COMMENTARY

10/17/2024

Uptrend stalling, more evidence needed to call a top

December live cattle yesterday remained inside Tuesday's wide trading range. Cutout prices have been on a very strong run for the last couple of weeks. If prices fall below Tuesday's low of 185.55, a much larger correction is likely. Short-term technical indicators are rolling over to the downside. Cash cattle trade this week has not been established in the South but there has been light trade in the north each day this week between \$186-\$187. The 5-area, 5-day weighted average for the week is now 187.23, up from 187.19 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 370,000 head, up from 359,000 last week at this time but down from 376,348 a year ago. The USDA boxed beef cutout was up \$1.99 at mid-session Wednesday and closed \$2.30 higher at \$319.13. This was up from \$308.18 the previous week.



TODAY'S MARKET IDEAS:

Yesterdays inside day on the December live cattle chart may be a pause before larger correction starts. Key moving average support stands at 186.10 and Tuesday's low of 185.55 must hold or a much larger selloff is likely. The uptrend is beginning to show some cracks but needs confirmation and a break of support to confirm an interim top.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (DEC) 10/17/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 185.420. The next area of resistance is around 187.220 and 187.950, while 1st support hits today at 185.970 and below there at 185.420.

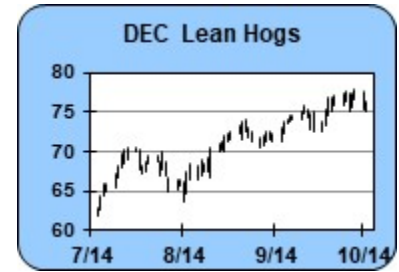
FEEDER CATTLE (NOV) 10/17/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 243.713. The next area of resistance is around 246.500 and 247.712, while 1st support hits today at 244.500 and below there at 243.713.

DAILY HOGS COMMENTARY

10/17/2024

December futures rally off moving average support again

December hogs shot higher yesterday after the break earlier this week and closed at their best level since April 24th. Prices once again held the 20-day moving average support this week which has been the case several times since late August. Packers seem to be having difficulty finding enough hogs, which may be part of what's driving the rally along with fund buying. The uptrend is likely to continue until the market closes convincingly below the 20-day moving average, which stands at 75.70 on December. The CME Lean Hog Index as of October 14 was 84.08, down from 84.16 the previous session and from 84.22 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 1.446 million head, up from 1.441 million last week at this time and up from 1.439 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$94.22, up 70 cents from Tuesday but down from \$94.24 the previous week. The average hog weight for Iowa-Southern Minnesota as of October 12 was 285.4 pounds, up from 284.8 pounds the previous week and up from 283.5 a year ago. The 5-year average is 283.9 pounds.



TODAY'S MARKET IDEAS:

Funds stepped up again yesterday to buy the break and December hogs closed up against 6-month highs. Look for next major resistance at the 2024 highs made back in April at 79.60. The impressive uptrend since mid-August continues and fund longs are not likely to get worried about their positions until prices drop below key support at 75.70 on December.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/17/2024: The daily stochastics have crossed over up which is a bullish indication. Rising stochastics at overbought levels warrant some caution for bulls. The intermediate trend could be turning up with the close back above the 18-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 79.600. The next area of resistance is around 78.950 and 79.600, while 1st support hits today at 76.450 and below there at 74.570.

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	186.570	56.09	59.13	83.76	75.29	187.16	187.34	186.22	181.27	181.72
FCX24	245.500	45.30	51.87	77.50	61.64	247.84	248.74	246.99	239.80	241.36
LHZ24	77.700	61.88	61.77	77.99	78.42	76.59	76.56	75.67	73.01	71.77

Calculations based on previous session. Data collected 10/16/2024

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	185.400	185.950	186.670	187.220	187.950
FCX24	Feeder Cattle	243.712	244.500	245.712	246.500	247.712
LHZ24	Lean Hogs	74.550	76.420	77.070	78.950	79.600

Calculations based on previous session. Data collected 10/16/2024

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