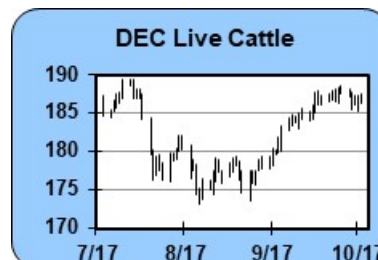


DAILY CATTLE COMMENTARY

10/21/2024

Cash trade ends 0.50-1.00 higher on the week

December live cattle prices closed on an uptick Friday after holding moving average support earlier in the week. Retail beef prices remain record high and weights also remain record heavy. Packer margins have improved lately. The October 11 high of 188.55 on December represents key resistance. The uptrend remains in place but resistance is expected to be significant in the 188-190 range. Cash cattle trade Friday developed at slightly higher levels than last week. The 5-area, 5-day weighted average for the week ended at 187.50, up from 187.19 the previous week. Third-quarter pork production in China was down .8% year-over-year and January through September output is down 1.4%. Estimated beef production last week was 523.5 million pounds, down from 530.6 million a year ago but up from 504 last week. The USDA estimated cattle slaughter came in at 106,000 head Friday and 14,000 head for Saturday. This brought the total for last week to 608,000 head, up from 586,000 the previous week but down from 637,931 a year ago. The USDA boxed beef cutout was up \$1.33 at mid-session Friday and closed \$1.39 higher at \$320.65. This was up from \$311.22 the previous week.



Cattle positioning in the Commitments of Traders for the week ending October 15th showed Managed Money traders net bought 8,703 contracts and are now net long 85,729 contracts. CIT traders are net long 97,691 contracts after net buying 1,018 contracts. Non-Commercial No CIT traders added 7,739 contracts to their already long position and are now net long 64,049. Non-Commercial & Non-Reportable traders added 4,365 contracts to their already long position and are now net long 76,674.

U.S. beef export sales for the week ending October 10 came in at 14,100 tonnes compared with the average of the previous four weeks of 15,700 tonnes. Cumulative sales for the 14.1 have reached 759,400 tonnes, up 2.1% versus last year's pace.

TODAY'S MARKET IDEAS:

The December live cattle uptrend has slowed but prices need a convincing close below key 20-day moving average support, which the market has not closed below since September 10, to confirm further weakness. That level stands at 186.45 to start the week. Friday was the 1st lower weekly close in 5 weeks.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 10/8/2024 - 10/15/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	4,906	+987	1,849	-590	-6,754	-396
Cattle	110,191	+8,312	-76,673	-4,365	-33,517	-3,947

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) 10/21/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is 185.720. The next area of resistance is around 188.020 and 188.550, while 1st support hits today at 186.620 and below there at 185.720.

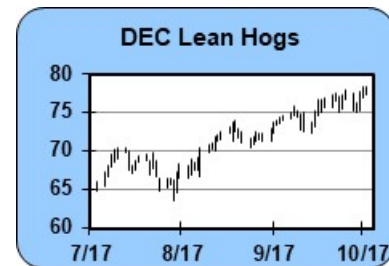
FEEDER CATTLE (NOV) 10/21/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is 244.844. The next area of resistance is around 248.837 and 249.793, while 1st support hits today at 246.363 and below there at 244.844.

DAILY HOGS COMMENTARY

10/21/2024

December prices approaching the 2024 highs

December hogs last week closed at their highest level since late April and the strong 2-month rally has not shown any sign of a top yet. The fact the recent strength in the US Dollar did not reduce pork exports last week was a bullish sign. Look for prices to challenge the 2024 highs at 79.60. Commitment of Trader's data showed Managed Money bought a little over 4000 contracts as of Tuesday of last week to increase their net long to 75,000 contracts. The CME Lean Hog Index as of October 16 was 83.84, down from 83.85 the previous session and from 84.47 the previous week. The estimated average dressed cattle weight for the week ending October 19 is 863 pounds, up from 862 the previous week and up from 834 a year ago. The 5-year average weight for that week is 833 pounds. Estimated US pork production for the week ending October 19 is 555.7 million pounds, up from 548.7 the previous week and up from 554.9 a year ago. The USDA estimated hog slaughter came in at 481,000 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 \$95.83, up 37 cents from Thursday and up from \$93.61 the previous week.



The Commitments of Traders report for the week ending October 15th showed Hogs Managed Money traders net bought 4,388 contracts and are now net long 74,987 contracts. CIT traders were net long 103,508 contracts after decreasing their long position by 1,033 contracts. Non-Commercial No CIT traders added 5,934 contracts to their already long position and are now net long 40,538. Non-Commercial & Non-Reportable traders are net long 81,441 contracts after net buying 4,857 contracts.

U.S. pork export sales for the week ending October 10 came in at 38,100 tonnes compared with the average of the previous four weeks of 37,800 tonnes. Cumulative sales for the 2024 marketing year have reached 1,563,900 tonnes, up 0.5% versus last year's pace.

TODAY'S MARKET IDEAS:

Hog prices have closed higher 7 of the last 9 weeks. Weekly export sales Friday were supportive and unaffected by the strength in the US dollar. Technical action suggests a test of next major resistance is 79.60, the 2024 highs made back in April on December futures. Key moving average support stands at 76.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 10/8/2024 - 10/15/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	96,746	+5,524	-81,441	-4,857	-15,305	-667

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/21/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 78.900. The next area of resistance is around 78.370 and 78.900, while 1st support hits today at 77.300 and below there at 76.750.

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	187.320	60.36	61.20	75.16	68.83	186.66	187.28	186.51	181.52	181.67
FCX24	247.600	56.00	57.64	63.01	51.38	246.33	248.18	247.39	240.09	241.05
LHZ24	77.820	62.45	62.15	80.77	83.88	77.11	76.84	75.99	73.46	72.03

Calculations based on previous session. Data collected 10/18/2024

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	185.700	186.600	187.120	188.020	188.550
FCX24	Feeder Cattle	244.843	246.362	247.318	248.837	249.793
LHZ24	Lean Hogs	76.720	77.270	77.820	78.370	78.900

Calculations based on previous session. Data collected 10/18/2024

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