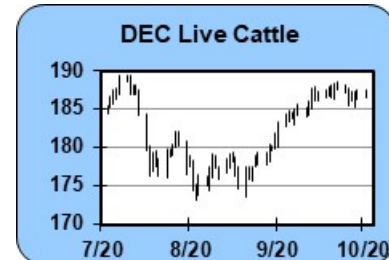


### DAILY CATTLE COMMENTARY

10/22/2024

#### Cutout higher to start the week

December live cattle closed modestly lower yesterday and just above moving average support. The recent uptrend has stalled and technical indicators are suggesting a pullback. Disappointing rains across the southern Plains this week will keep pasture conditions on the decline. However, there is some hope in week 2 of the outlook showing more rain chances. Cutout is strong to start the week and packers will likely be hoping for a lower board to secure cheaper supplies but no cash cattle trade was established in the major regions yesterday. The 5-area, 5-day weighted average remains unchanged from the end of last week at 187.57. China's beef imports for September were reported down 11%. Negotiated trade last week was down 14,000 from the week prior and this week's showlist sizes are expected down 2898 head in Texas to 82,123, down 3262 head in Kansas to 75,298 and down 1377 head in Nebraska/Colorado to 66,408. The USDA estimated cattle slaughter came in at 120,000 head Monday. This was unchanged from last week but down from 124,928 a year ago. The USDA boxed beef cutout was up \$1.42 at mid-session Monday and closed \$2.21 higher at \$322.86. This was up from \$313.32 the previous week.



#### TODAY'S MARKET IDEAS:

December live cattle prices are still holding support but short-term technical indicators suggest the market is vulnerable to a downside correction. The recent 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 186.55 today.

#### 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) 10/22/2024:** Declining momentum studies in the neutral zone will tend to reinforce lower price action. 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 target is 185.970. The next area of resistance is around 187.300 and 187.850, while 1st support hits today at 186.370 and below there at 185.970.

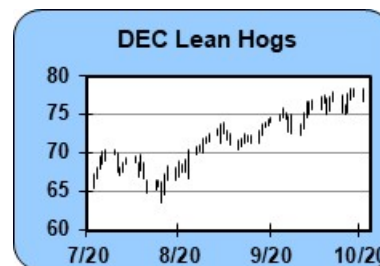
**FEEDER CATTLE (NOV) 10/22/2024:** Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 245.282. The next area of resistance is around 247.312 and 248.131, while 1st support hits today at 245.888 and below there at 245.282.

## DAILY HOGS COMMENTARY

10/22/2024

### Hog numbers falling short?

December hogs advanced again yesterday to a new 6-month high and the impressive uptrend remains in place. The aggressive buying over the last few months on every minor pullback is an indication something bullish has shifted in the fundamentals. Pork export demand has been strong, but hog supply numbers seem to be smaller than the market projected just a few weeks ago. The 2024 highs at 79.60 are the next target for December hogs and if prices exceed that level, the uptrend could accelerate. The CME Lean Hog Index as of October 17 was 83.96, up from 83.84 the previous session but down from 84.29 the previous week. The USDA estimated hog slaughter came in at 488,000 head Monday. This was up from 473,000 last week and up from 486,162 a year ago. The USDA pork cutout, released after the close Monday, came in at \$97.60, up \$1.77 from Friday and up from \$94.37 the previous week.



### TODAY'S MARKET IDEAS:

Technical action suggests a test of next major resistance at 79.60, the 2024 highs made back in April on December futures. The trend is higher and minor 2-4 day breaks have been buying opportunities. Key moving average support comes in at 76.20 today.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/22/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 79.620. The next area of resistance is around 79.100 and 79.620, while 1st support hits today at 77.450 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
<b>MEAT COMPLEX</b>										
LCZ24	186.820	55.79	58.45	71.50	64.19	186.73	187.16	186.65	181.71	181.63
FCX24	246.600	50.63	54.27	57.23	45.67	246.36	247.77	247.53	240.35	240.87
LHZ24	78.270	64.77	63.67	82.76	86.74	77.87	76.96	76.18	73.70	72.16

Calculations based on previous session. Data collected 10/21/2024

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	185.950	186.350	186.900	187.300	187.850
FCX24	Feeder Cattle	245.281	245.887	246.706	247.312	248.131
LHZ24	Lean Hogs	76.270	77.420	77.950	79.100	79.620

Calculations based on previous session. Data collected 10/21/2024

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