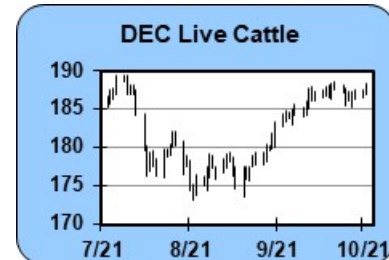


### DAILY CATTLE COMMENTARY

10/23/2024

#### E Coli breakout sickens 49 people

December live cattle closed strong yesterday but stopped just short of making new highs for the month. Strong resistance is likely to be seen between this month's high of 188.55 and the 2024 highs made back in March at 191.62 on December. The Centers for Disease Control says 49 people have been sickened in the western United States due to an E. coli breakout with 1 death reported. The breakout is linked to McDonald's hamburgers, but it is unclear yet whether the meat was tainted or onions. If meat is the culprit, headline traders may try to press the market lower. Estimates for Friday's Cattle On Feed report have On Feed at 99.7% (range of 99.1% to 100.1%) versus last year at 100.4%. Placement average estimate is 95.9% (range of 94.2% to 99.0%) versus last year at 105.6%. The average estimate for Marketings is 101.7% with a range of 98.1% to 103.4%. Last year at this time was 89.4%. Cash trade so far this week has been reported in the north at \$186 - \$188, unchanged with last week. No trades have been reported in southern regions. The 5-area, 5-day weighted average for the week is 187.58, compared to 187.57 the end of last week. The USDA estimated cattle slaughter came in at 123,000 head Tuesday. This brings the total for the week so far to 243,000 head, down from 245,000 last week at this time and down from 252,241 a year ago. The USDA boxed beef cutout was up \$1.24 at mid-session Tuesday and closed \$1.10 higher at \$323.96. This was up from \$316.83 the previous week.



#### TODAY'S MARKET IDEAS:

The bull camp may be put to the test in live cattle day as outside markets are weak and the US dollar is strong. In addition, an E. coli breakout has been linked to McDonald's but has not been confirmed whether the breakout stems from hamburger or onions. Important moving average support is still holding at 186.80 and until prices can close below that level, the uptrend remains intact.

#### 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) 10/23/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The next downside target is 186.470. The next area of resistance is around 188.850 and 189.400, while 1st support hits today at 187.400 and below there at 186.470.

FEEDER CATTLE (NOV) 10/23/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend could be turning up with the close back above the 18-day moving average. There could be more upside follow through since the market closed above the 2nd swing

resistance. The next downside target is 245.825. The next area of resistance is around 250.200 and 250.924, while 1st support hits today at 247.650 and below there at 245.825.

## DAILY HOGS COMMENTARY

10/23/2024

### Highest close in Dec Hogs since early April

December hogs tested the 2024 highs at 79.60 yesterday but stopped just short of taking them out. The recent impressive run higher continues with no sign of a top and open interest continues to rise, now standing at its highest level since mid-April, indicating fund longs continue to enter the market. Pullback support stands at 76.50. The Cold Storage report will be out on Friday afternoon. The CME Lean Hog Index as of October 18 was 84.23, up from 83.96 the previous session and from 84.16 the previous week. The USDA estimated hog slaughter came in at 488,000 head Tuesday. This brings the total for the week so far to 976,000 head, up from 960,000 last week at this time and up from 968,764 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$96.51, down \$1.09 from Monday but up from \$93.52 the previous week.



### TODAY'S MARKET IDEAS:

The uptrend accelerated to new 6-month highs yesterday on December hogs and prices are testing the 2024 highs. Technical action still points higher. Key moving average support comes in at 76.50 today. Rising open interest as the market rallies is a bullish sign.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK 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.

LEAN HOGS (DEC) 10/23/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 80.170. The next area of resistance is around 79.700 and 80.170, while 1st support hits today at 78.520 and below there at 77.800.

### DAILY TECHNICAL STATISTICS

|                     | CLOSE   | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|---------------------|---------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>MEAT COMPLEX</b> |         |              |               |                           |                           |                |                |                 |                 |                 |
| LCZ24               | 188.120 | 63.81        | 63.10         | 71.15                     | 70.46                     | 187.11         | 187.26         | 186.83          | 181.93          | 181.64          |
| FCX24               | 248.925 | 60.54        | 60.10         | 55.07                     | 50.75                     | 247.22         | 247.80         | 247.75          | 240.68          | 240.78          |
| LHZ24               | 79.120  | 68.86        | 66.42         | 84.70                     | 88.56                     | 78.23          | 77.36          | 76.46           | 73.94           | 72.35           |

Calculations based on previous session. Data collected 10/22/2024

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

### DAILY SWING STATISTICS

| Contract            |               | Support 2 | Support 1 | Pivot   | Resist 1 | Resist 2 |
|---------------------|---------------|-----------|-----------|---------|----------|----------|
| <b>MEAT COMPLEX</b> |               |           |           |         |          |          |
| LCZ24               | Live Cattle   | 186.450   | 187.370   | 187.920 | 188.850  | 189.400  |
| FCX24               | Feeder Cattle | 245.825   | 247.650   | 248.375 | 250.200  | 250.924  |
| LHZ24               | Lean Hogs     | 77.770    | 78.500    | 78.970  | 79.700   | 80.170   |

Calculations based on previous session. Data collected 10/22/2024

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

\*\*\*This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.