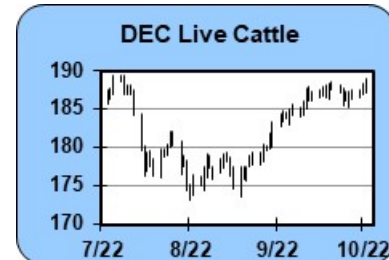


DAILY CATTLE COMMENTARY

10/24/2024

E Coli breakout linked to slivered onions

December live cattle made a 3-month high yesterday before closing lower. The reversal down will be important and could end the recent rally if prices close lower again today to confirm. Moving average support comes in at 186.95 today. Weekly export sales this morning were in line with the average of the last month. Cash trade to finish the week will likely be the driving factor in market direction today and tomorrow, along with positioning before tomorrow afternoon's cattle on feed report. Estimates for the 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%. The Center for Disease Control says they have narrowed down the E coli outbreak to slivered onions on McDonald's quarter pound hamburgers. For the 3rd day in a row the only reported cash trade was in the north yesterday at 186.50. The 5-area, 5-day weighted average for the week is now 187.62, up from 187.57 at the end of last week. The USDA estimated cattle slaughter came in at 124,000 head Wednesday. This brings the total for the week so far to 367,000 head, down from 370,000 last week at this time and down from 376,278 a year ago. The USDA boxed beef cutout was up 8 cents at mid-session Wednesday and closed \$2.55 lower at \$321.41. This was up from \$319.13 the previous week.



U.S. beef export sales for the week ending October 17 came in at 16,700 tonnes compared with the average of the previous four weeks of 15,400 tonnes. Cumulative sales for the 16.7 have reached 776,100 tonnes, up 2.1% versus last year's pace.

TODAY'S MARKET IDEAS:

The bull camp may have failed yesterday's test as prices reversed lower on December live cattle. However, a lower close today is needed to confirm at least an interim top. A close below moving average support at 186.95 would be a signal prices may be ready for a more significant pullback. Expect heavy resistance between 189-191 on December.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (DEC) 10/24/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 186.120. The next area of resistance is around 188.800 and 189.800, while 1st support hits today at 186.970 and below there at 186.120.

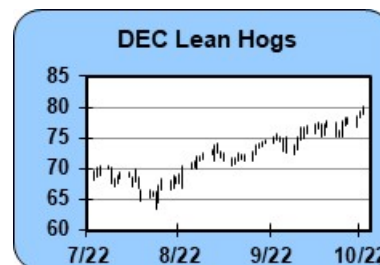
FEEDER CATTLE (NOV) 10/24/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 244.875. The next area of resistance is around 248.600 and 250.375, while 1st support hits today at 245.850 and below there at 244.875.

DAILY HOGS COMMENTARY

10/24/2024

Open interest nearing 5-year highs

December hogs showed no sign of the rally ending yesterday as prices surged to their highest level since June 22nd of last year. The December hog contract high of 80.65 was made just a few days after the contract came on the board back in June 2023 and prices may try to test that level today. Hog open interest continues to surge, nearing the highs set back in May 2019, as Managed Money presses their bets on the long side. Once prices make a top, aggressive long liquidation can be expected. This morning's weekly export sales fell below the average of the last month. The CME Lean Hog Index as of October 21 was 84.34, up from 84.23 the previous session and from 84.08 the previous week. The USDA estimated hog slaughter came in at 489,000 head Wednesday. This brings the total for the week so far to 1.465 million head, up from 1.446 million last week at this time and up from 1.455 million a year ago. The average hog weight for Iowa-Southern Minnesota as of October 19 was 285.5 pounds, up from 285.4 pounds the previous week and up from 285.2 a year ago. The 5-year average is 285.1 pounds. The USDA pork cutout, released after the close Wednesday, came in at \$97.67, up \$1.16 from Tuesday and up from \$94.22 the previous week.



U.S. pork export sales for the week ending October 17 came in at 22,200 tonnes compared with the average of the previous four weeks of 40,300 tonnes. Cumulative sales for the 2024 marketing year have reached 1,586,100 tonnes, up 0.2% versus last year's pace.

TODAY'S MARKET IDEAS:

December hogs continue to accelerate higher hitting a new contract high close yesterday. Typically, an extended uptrend, as we have seen since mid-August, will steepen in the last phase of the rally before a major pullback. Once a technical top is in place, recent Managed Money longs will likely be quick to take profits and fuel the next pullback. However, for now, rising open interest as the market moves higher still favors the bull camp.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/24/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 81.200. The market

is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 80.850 and 81.200, while 1st support hits today at 79.520 and below there at 78.520.

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	187.870	61.40	61.67	70.97	70.59	187.54	187.22	187.02	182.21	181.64
FCX24	247.225	51.96	54.62	52.18	46.40	247.59	247.49	247.84	241.06	240.65
LHZ24	80.150	73.19	69.50	87.21	92.23	78.85	77.72	76.84	74.20	72.56

Calculations based on previous session. Data collected 10/23/2024

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	186.100	186.950	187.950	188.800	189.800
FCX24	Feeder Cattle	244.875	245.850	247.625	248.600	250.375
LHZ24	Lean Hogs	78.500	79.500	79.850	80.850	81.200

Calculations based on previous session. Data collected 10/23/2024

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