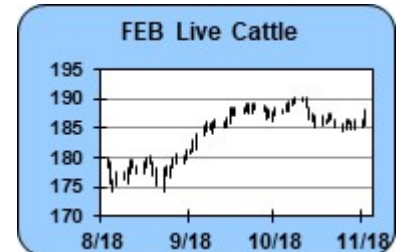


DAILY CATTLE COMMENTARY

11/20/2024

Strong feeder market supports live cattle

February live cattle prices yesterday shot higher supported by the exceptionally strong feeder cattle market. Much improved pasture conditions have buyers bidding up for feeders and that may be enough of a reason for live cattle to test recent highs above 190.00. Yesterday's close above gap resistance is a sign the market is ready to resume the uptrend. There was no cash cattle trade reported yesterday and the 5 - area, 5 - day weighted average remains where it ended last week at 184.79. Friday afternoon's cattle on feed report estimates are On Feed at 99.9% (range of 99.2% to 101.3%) versus last year at 101.4%. Placement average estimate is 103.4% (range of 100.0% to 107.0%) versus last year at 104.1%. The placement number would be the highest level for October since 2019. The average estimate for Marketings is 105.1% with a range of 104.7% to 105.7%. Last year at this time was 97.8%. The USDA estimated cattle slaughter came in at 126,000 head Tuesday. This brings the total for the week so far to 244,000 head, up from 233,000 last week at this time but down from 254,522 a year ago. The USDA boxed beef cutout was up \$1.23 at mid-session Tuesday and closed \$1.51 higher at \$308.79. This was up from \$308.27 the previous week.



TODAY'S MARKET IDEAS:

Live cattle prices could not ignore the very strong action in the feeder cattle yesterday and the February contract closed at a new high for the month and looks ready to challenge the highs in late October just above 190.00. Ideas of better economic times under Trump and aggressive bidding for feeder cattle at country auctions is turning traders bullish. The bull camp has regained the edge.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (DEC) 11/20/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 188.650. The next area of resistance is around 187.950 and 188.650, while 1st support hits today at 185.220 and below there at 183.170.

FEEDER CATTLE (JAN) 11/20/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 254.718. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 253.662 and 254.718, while 1st support hits today at 250.338 and below there at 248.069.

DAILY HOGS COMMENTARY

11/20/2024

New low for the month yesterday

February hogs made a new low for the month yesterday but closed midrange. The pullback over the last week may continue to keep hogs under pressure in the short-term with initial support at 81.35. 1st retracement support is 79.45. Hog open interest is slowly declining from its all-time highs set last week. The CME Lean Hog Index as of November 15 was 88.49, down from 89.27 the previous session and from 90.02 the previous week. The USDA estimated hog slaughter came in at 489,000 head Tuesday. This brings the total for the week so far to 978,000 head, up from 947,000 last week at this time and up from 977,007 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$93.76, down \$2.98 from Monday and down from \$96.62 the previous week.



TODAY'S MARKET IDEAS:

February hogs made a new 3-week low yesterday and prices may continue to pull back to .382% initial retracement support at 79.40. With China set to make new agreements to import Brazilian pork, traders may see this as a headwind for US demand. Managed Money continues to hold a large net long position and if prices do not quickly recover back to the upside, funds are likely to begin to throw in the towel, which could result in much more aggressive selling. For now, a recovery to 84.50 is a selling opportunity on February.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 11/20/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 78.070. The next area of resistance is around 80.320 and 81.150, while 1st support hits today at 78.800 and below there at 78.070.

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	60.65	56.27	21.19	34.04	184.14	184.25	185.47	185.78	183.77
FCF25	252.000	75.92	69.25	67.30	84.34	247.98	245.24	244.39	243.14	240.03
LHZ24	79.520	42.61	48.38	34.41	21.78	79.79	80.76	81.59	78.33	76.78

Calculations based on previous session. Data collected 11/19/2024

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	183.150	185.200	185.900	187.950	188.650
FCF25	Feeder Cattle	248.068	250.337	251.393	253.662	254.718
LHZ24	Lean Hogs	78.050	78.770	79.600	80.320	81.150

Calculations based on previous session. Data collected 11/19/2024

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