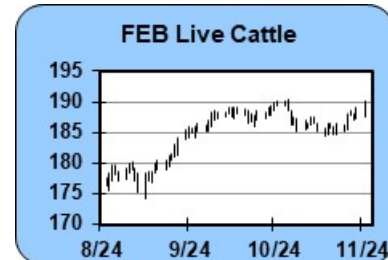


DAILY CATTLE COMMENTARY

11/26/2024

Screwworm detection in Mexico closes US border to cattle imports

Friday's negative cattle on feed report took a backseat yesterday to reports Mexico had contacted the US regarding detection of New World screwworm in Mexican cattle, which resulted in the US closing the border to Mexican live cattle and feeder imports. Further details on how widespread the screwworm issue is in Mexico have not yet been released but an extended closure of the border beyond a week or two could be significant for feeder cattle as Mexican feeders have been moving north into the US to avoid drought conditions in northern Mexico. Both live cattle and feeders rallied sharply on the opening yesterday, but live cattle gave back all the gains and closed lower in disappointing fashion. Look for initial support on February live cattle at 186.50. The cold storage report was also released yesterday afternoon and October beef stocks were 432 million pounds, up 4.7% from September and down 3.1% from October 2023. Light cash cattle trade was reported in the north yesterday at 187 - 188 and the 5 - area, 5 - day weighted average for the week is now 186.44 slightly above the end of last week at 186.41. The USDA estimated cattle slaughter came in at 120,000 head Monday. This was up from 118,000 last week but down from 124,069 a year ago. The USDA boxed beef cutout was up \$2.36 at mid-session Monday and closed \$2.30 higher at \$309.71. This was up from \$307.28 the previous week.



TODAY'S MARKET IDEAS:

Live cattle and especially feeders may see more volatility this week as new updates on the detection of the screwworm in Mexico come in. The length of the US border closure to Mexican cattle imports will be important for prices, especially feeder cattle. Yesterday's failure to hold the early gains in February live cattle, resulting in a reversal down, could represent a significant technical failure if prices continue to weaken this week. Look for initial support at 186.50 on February live cattle but prices may fall to more significant support at 184.55.

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 (FEB) 11/26/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 190.670. The next area of resistance is around 188.900 and 190.670, while 1st support hits today at 186.500 and below there at 185.850.

FEEDER CATTLE (JAN) 11/26/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the

1st swing resistance number, the market is in a moderately positive position. The next upside objective is 260.968. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 257.787 and 260.968, while 1st support hits today at 253.163 and below there at 251.719.

DAILY HOGS COMMENTARY

11/26/2024

October Cold Storage report leans bullish

February hogs were stronger yesterday and tested the contract high made earlier this month at 86.90. The technical outlook remains positive and suggests the rally can continue. The October Cold Storage report was friendly and pegged red meat supplies in freezers at 883 million pounds, down 2 percent from the previous month and down 3 percent from last year. Frozen pork supplies were 426 million pounds down 7 percent from the previous month and down 3 percent from last year and the lowest October number since 2004. Stocks of pork bellies were 16.2 million pounds down 8 percent from last month and down 42 percent from last year. CME Lean Hog Index as of November 21 was 87.01, down -0.43 for the day and down -2.26 versus a week ago. This is the lowest since October 31. The USDA estimated hog slaughter came in at 489,000 head Monday. This was unchanged from last week but up from 476,169 a year ago. The USDA pork cutout, released after the close Monday, came in at \$92.99, up \$1.89 from Friday but down from \$96.74 the previous week.



TODAY'S MARKET IDEAS:

February hogs tested the contract high yesterday and a friendly cold storage report may push prices to a new high today. The uptrend shows no signs of ending at this time. A close above the November high at 86.90 would suggest a run to next resistance at 88.25. Moving average pullback support is 82.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 11/26/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 87.600. The next area of resistance is around 86.750 and 87.600, while 1st support hits today at 85.100 and below there at 84.270.

DAILY TECHNICAL STATISTICS

			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	CLOSE	9 DAY RSI	14 DAY RSI						

LCG25	187.700	56.19	54.63	57.07	64.46	187.81	186.85	186.56	187.28	185.42
FCF25	255.475	81.92	74.37	85.28	86.90	253.89	250.13	246.45	244.74	241.43
LHG25	85.900	62.43	61.27	51.70	62.04	85.18	84.40	84.90	82.51	80.90

Calculations based on previous session. Data collected 11/25/2024

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						
LCG25	Live Cattle	185.820	186.470	188.250	188.900	190.670
FCF25	Feeder Cattle	251.718	253.162	256.343	257.787	260.968
LHG25	Lean Hogs	84.250	85.070	85.920	86.750	87.600

Calculations based on previous session. Data collected 11/25/2024

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