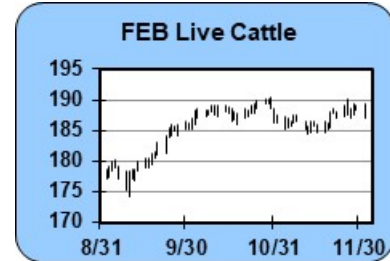


**DAILY CATTLE COMMENTARY**  
12/3/2024

**Fund net longs in live cattle hit 16-month high**

February live cattle dropped yesterday for a test of support and today's action will be key whether or not yesterday's lows can hold. A fall below 186.90 on February would suggest the market could break to more significant support at 184.60. Commitment of Traders data showed Managed Money net longs hit a 16-month high as of Tuesday of last week and feeder cattle longs a 17-month high. However, feeder cattle yesterday had a significant chart reversal lower and a lower close today would signal a larger pullback is coming. Tyson Foods is closing a meat plant in Emporia Kansas next year, eliminating 809 jobs. The company said the plant provides seasoned and marinated proteins and ground beef, but the US beef shortage has eroded profits. Cash cattle trade was not established yesterday and the 5 - area, 5 - day weighted average remains at 189.21. The USDA estimated cattle slaughter came in at 117,000 head Monday. This was down from 120,000 last week and down from 124,268 a year ago. The USDA boxed beef cutout was up \$1.33 at mid-session Monday and closed \$2.49 higher at \$313.01. This was up from \$307.41 the previous week.



The November 26th Commitments of Traders report showed Cattle Managed Money traders added 6,981 contracts to their already long position and are now net long 115,396. CIT traders net sold 385 contracts and are now net long 92,987 contracts. Non-Commercial No CIT traders were net long 88,438 contracts after increasing their already long position by 7,110 contracts. Non-Commercial & Non-Reportable traders net bought 6,555 contracts and are now net long 98,994 contracts.

**TODAY'S MARKET IDEAS:**

No further details on the border closure with Mexico and feeder cattle had a significant reversal to the downside yesterday after 10 consecutive higher closes. Managed Money longs in live cattle hit a 16-month high and if prices begin to sink, fund long liquidation could be a significant issue for the bull camp. Important support on February live cattle stands at 184.60.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 11/19/2024 - 11/26/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Livestock</b>						
Feeder Cattle	16,505	+4,049	-5,381	-1,825	-11,124	-2,224
Cattle	134,947	+8,307	-98,994	-6,555	-35,953	-1,752

**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) 12/03/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is a negative signal. The market is in a bearish position with the close below the 2nd swing support number. The next upside objective is 190.400. The next area of resistance is around 189.070 and 190.400, while 1st support hits today at 186.770 and below there at 185.720.

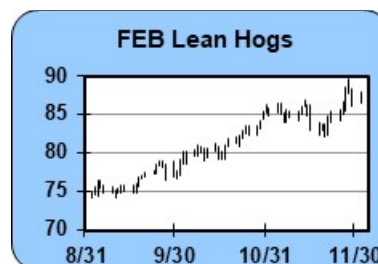
FEEDER CATTLE (JAN) 12/03/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day down is a negative signal. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 251.994. The next area of resistance is around 259.662 and 263.243, while 1st support hits today at 254.038 and below there at 251.994.

## DAILY HOGS COMMENTARY

12/3/2024

### Funds holding record net long

February hogs rallied yesterday but stayed inside the range of Friday. Last week's downside reversal is significant but beware it was a holiday week and that may mean the technical formation has a bit less credence. Last week's low of 86.15 looks to be now key support and if prices fall below that level, Managed Money net longs, which hit an all-time high last week, may begin to liquidate. CME Lean Hog Index as of November 27 was 85.21, down -0.30 for the day and down -1.80 versus a week ago. This is the lowest since October 25. The USDA estimated hog slaughter came in at 489,000 head Monday. This was unchanged from last week but up from 486,773 a year ago. The USDA pork cutout, released after the close Monday, came in at \$92.05, up \$2.00 from Friday and up from \$91.10 the previous week.



The November 26th Commitments of Traders report showed Hogs Managed Money traders hit a new extreme long of 124,761 contracts. Managed Money traders added 9,171 contracts to their already long position and are now net long 124,761. CIT traders were net long 111,535 contracts after increasing their already long position by 2,698 contracts. Non-Commercial No CIT traders are net long 85,941 contracts after net buying 11,624 contracts. Hogs Non-Commercial & Non-Reportable traders hit a new extreme long of 125,427 contracts. Non-Commercial & Non-Reportable traders added 14,523 contracts to their already long position and are now net long 125,427.

### TODAY'S MARKET IDEAS:

February hogs need a further rally today to offset the bearish technical reversal down late last week. If prices take out Friday's low instead, more aggressive selling may develop. Retracement support stands at 85.85 and 84.95. The all-time high in managed money net shorts means once prices do rollover to the downside, the ensuing break could be significant.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 11/19/2024 - 11/26/2024						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Livestock						

Hogs	143,366	+13,009	-125,427	-14,522	-17,939	+1,514
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## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/03/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 89.200. The next area of resistance is around 88.750 and 89.200, while 1st support hits today at 87.150 and below there at 85.970.

## 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>										
LCG25	187.920	54.81	54.40	64.86	66.49	188.21	188.01	186.97	187.52	186.10
FCF25	256.850	69.79	68.94	89.01	87.71	258.30	255.64	250.00	246.48	243.36
LHG25	87.950	64.33	63.35	68.15	72.01	87.62	86.01	85.42	83.35	81.70

Calculations based on previous session. Data collected 12/02/2024

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>						
LCG25	Live Cattle	185.700	186.750	188.050	189.070	190.400
FCF25	Feeder Cattle	251.993	254.037	257.618	259.662	263.243
LHG25	Lean Hogs	85.950	87.120	87.570	88.750	89.200

Calculations based on previous session. Data collected 12/02/2024

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