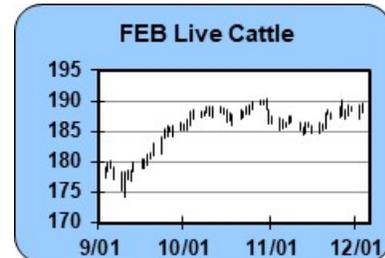


DAILY CATTLE COMMENTARY

12/4/2024

Cash bids in the south at \$190

February live cattle closed yesterday at its highest level since late October, driven by support from the feeder market. No new news on the Mexican border closure but the lack of news suggests the closure may continue for some time. The closure has halted the roughly 100,000 head of Mexican cattle coming into the US each month. As long as the border is closed, the bull camp retains the edge. Cash live cattle bids developed in Kansas at \$190 yesterday and USDA did report some trade from Monday in Nebraska also at \$190 but no trades were reported yesterday. The 5-area, 5-day weighted average for the week is 190.01, up from 189.21 at the end of last week. The USDA estimated cattle slaughter came in at 125,000 head Tuesday. This brings the total for the week so far to 242,000 head, down from 246,000 last week at this time and down from 251,077 a year ago. The USDA boxed beef cutout was up \$1.03 at mid-session Tuesday and closed \$3.68 lower at \$309.33. This was down from \$309.71 the previous week.



TODAY'S MARKET IDEAS:

Feeder support is keeping a bid under live cattle as the US/Mexican border remains closed to cattle imports. Last week high on February live cattle was 190.05 and that stands as key resistance. Monday's low of 187.02 is important support and if the market falls below that level, aggressive fund long liquidation could ensue since Managed Money net longs have reached a 16-month high. But for now, prices are testing the upper end of the range of the last 9 days and technicals remain in neutral. A move above 190.05 may spark additional fund buying.

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) 12/04/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 190.450. The next area of resistance is around 189.820 and 190.450, while 1st support hits today at 188.350 and below there at 187.470.

FEEDER CATTLE (JAN) 12/04/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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 next downside objective is 255.825. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 260.950 and 262.425, while 1st support hits today at 257.650 and below there at 255.825.

DAILY HOGS COMMENTARY

12/4/2024

Open interest continues to climb into new all-time highs

February hogs jumped higher early in the session yesterday but could not hold the gains and closed unchanged. The cash hog Index was lower. Yesterday's failure to hold the rally may be a bit worrisome for the bull camp but it is too early to call for a market top yet. The uptrend remains intact for now, at least until February prices close back below 86.15. CME Lean Hog Index as of November 29 was 84.36, down -0.85 for the day and down -2.10 versus a week ago. This is the lowest since October 23. The USDA estimated hog slaughter came in at 487,000 head Tuesday. This brings the total for the week so far to 976,000 head, down from 978,000 last week at this time but up from 973,294 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$89.03, down \$3.02 from Monday and down from \$92.99 the previous week.



TODAY'S MARKET IDEAS:

Despite the intraday selloff yesterday, rising open interest continues to fuel the uptrend as managed money longs hit a record high last week. February prices were unable to break through last week's high at 89.60 yesterday and pulled back. Initial moving average support comes in at 85.65. Retracement support stands at 85.85 and 84.95. The all-time high in managed money net longs means once prices do rollover to the downside, the ensuing break could be significant.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/04/2024: 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 could take on a defensive posture with the daily closing price reversal down. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 89.800. The next area of resistance is around 88.670 and 89.800, while 1st support hits today at 87.050 and below there at 86.520.

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										
LCG25	189.070	63.75	60.07	67.12	71.63	188.56	188.13	187.10	187.59	186.29
FCF25	259.300	74.99	72.53	88.80	88.37	258.60	256.45	250.84	246.93	243.88
LHG25	87.850	63.53	62.81	69.98	73.65	87.51	86.56	85.57	83.58	81.92

Calculations based on previous session. Data collected 12/03/2024

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	187.450	188.320	188.950	189.820	190.450
FCF25	Feeder Cattle	255.825	257.649	259.125	260.950	262.425
LHG25	Lean Hogs	86.500	87.020	88.150	88.670	89.800

Calculations based on previous session. Data collected 12/03/2024

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