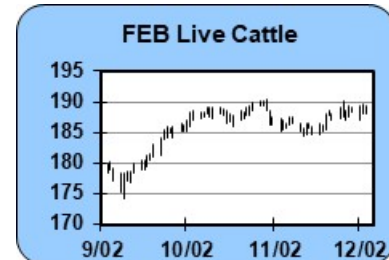


DAILY CATTLE COMMENTARY

12/5/2024

US border remains closed to Mexican cattle imports

February live cattle weakened yesterday as feeders sold off but live cattle remain in the sideways range of the past week. This morning's opening may start off lower after weekly export sales this morning were way below the average of the past 4 weeks, although it was a holiday week. February live cattle resistance remains at 190.05. The US border remains closed to Mexican cattle imports and that keeps a measure of underlying support beneath the market. USDA reported cash trade yesterday in the north at \$190, \$1 lower than last week. The 5 - area, 5 - day weighted average for the week now stands at 190.05, up from 189.21 at the end of last week. The USDA estimated cattle slaughter came in at 125,000 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 377,631 a year ago. The USDA boxed beef cutout was down \$2.07 at mid-session Wednesday and closed \$2.50 lower at \$308.33. This was down from \$311.57 the previous week.



U.S. beef export sales for the week ending November 28 came in at 100 tonnes compared with the average of the previous four weeks of 13,400 tonnes. Cumulative sales for the 0.1 have reached 831,300 tonnes, up 2.0% versus last year's pace.

TODAY'S MARKET IDEAS:

Feeders were lower yesterday and pulled live cattle down moderately as well. Initial moving average support is 187.50 on February live cattle. Monday's low of 187.02 is also important support and if the market falls below that level, more aggressive fund long liquidation could ensue since Managed Money net longs reached a 16-month high last week and open interest remains elevated.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 12/05/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 189.850. The next area of resistance is around 188.970 and 189.850, while 1st support hits today at 187.650 and below there at 187.170.

FEEDER CATTLE (JAN) 12/05/2024: 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 market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 254.294. Short-term

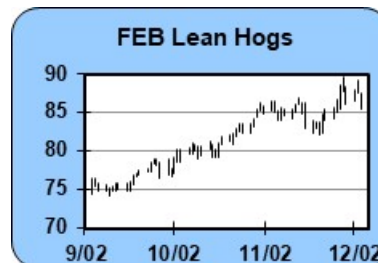
indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 258.612 and 260.943, while 1st support hits today at 255.288 and below there at 254.294.

DAILY HOGS COMMENTARY

12/5/2024

Weekly export sales stronger than expected

February hogs weakened sharply yesterday and tested moving average support. This morning's weekly export sales were much better than expected for a holiday week. The cash hog Index was slightly weaker and the lowest in 1 1/2 months. All-time highs in hog open interest lately, combined with near record Managed Money net longs, could make for a volatile combination as positions are adjusted for the end of the year. If even a small portion of the fund longs decide to take profits before the end of the year, the technical picture could quickly weaken. A close below the 20-day moving average at 85.65 would be an initial sign of a crack in the bull trend. CME Lean Hog Index as of December 2 was 84.06, down -0.30 for the day and down -1.84 versus a week ago. This is the lowest since October 21. 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, down from 1.466 million last week at this time but up from 1.458 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$88.89, down 14 cents from Tuesday and down from \$90.40 the previous week.



U.S. pork export sales for the week ending November 28 came in at 35,200 tonnes compared with the average of the previous four weeks of 15,800 tonnes. Cumulative sales for the 2024 marketing year have reached 1,706,500 tonnes, down 1.8% versus last year's pace.

TODAY'S MARKET IDEAS:

Yesterday's selloff on February hogs held initial moving average support but a close under 85.65 would weaken the short-term technical outlook and point to a further pullback to next support at 83.35. Key resistance remains at 89.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/05/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 84.300. The next area of resistance is around 87.420 and 88.620, while 1st support hits today at 85.270 and below there at 84.300.

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	188.320	55.67	55.25	68.23	70.44	188.49	188.18	187.15	187.64	186.47
FCF25	256.950	63.25	64.80	87.40	84.62	258.14	256.96	251.55	247.34	244.36
LHG25	86.350	52.55	55.28	69.24	67.77	87.12	86.77	85.63	83.75	82.10

Calculations based on previous session. Data collected 12/04/2024

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	187.150	187.620	188.500	188.970	189.850
FCF25	Feeder Cattle	254.293	255.287	257.618	258.612	260.943
LHG25	Lean Hogs	84.270	85.250	86.450	87.420	88.620

Calculations based on previous session. Data collected 12/04/2024

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