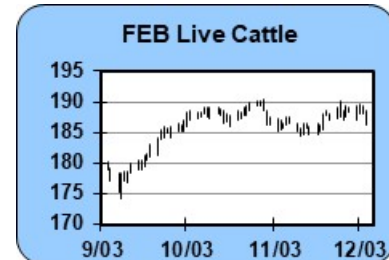


DAILY CATTLE COMMENTARY

12/6/2024

Technical weakness results in some fund long liquidation

February live cattle took a hit yesterday and closed at their lowest level since mid-November. Open interest dropped indicating some long liquidation. February prices closed right on moving average support and a further pullback today would suggest a downside target of 184.60. US exports of beef in October were 88 million tonnes, up from 87 million in September and unchanged from October of last year. Cash cattle developed in all regions yesterday at 189-190. The 5-area, 5-day weighted average for the week is now 189.98, up from 189.21 the end of last week. The USDA estimated cattle slaughter came in at 118,000 head Thursday. This brings the total for the week so far to 485,000 head, up from 372,000 last week at this time but down from 503,960 a year ago. The USDA boxed beef cutout was down 31 cents at mid-session Thursday and closed 49 cents lower at \$307.84. This was down from \$311.26 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:

February live cattle closed sharply lower yesterday as weekly export sales were very poor and prices may see further weakness today on end of week fund long liquidation. Next support on February is 184.60. The break below the consolidation of the last 2 weeks is a negative technical development on the daily chart. The odds favor further weakness.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 12/06/2024: The major trend has turned down with the cross over back below the 60-day moving average. A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 184.600. The next area of resistance is around 187.450 and 189.070, while 1st support hits today at 185.220 and below there at 184.600.

FEEDER CATTLE (JAN) 12/06/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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

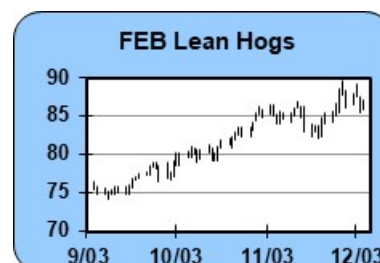
setup for today. The next downside objective is 252.169. Bearish daily studies indicate selling minor rallies this session. The next area of resistance is around 256.637 and 259.018, while 1st support hits today at 253.213 and below there at 252.169.

DAILY HOGS COMMENTARY

12/6/2024

October US pork exports up 2.1% year-over-year

February hogs were unchanged yesterday after Wednesday's test of moving average support held. Weekly export sales were very strong for the holiday week and cumulative export commitments are now up 2% year-over-year. However, record fund length for this time of year could be a significant negative factor for prices if the technical chart action breaks down. A close below 85.50 on February hogs may trigger fund long liquidation. US October pork exports were strong at 210 million tonnes, up from 197 in September and up from 205 in October of last year. The USDA estimated hog slaughter came in at 489,000 head Thursday. This brings the total for the week so far to 1.954 million head, up from 1.467 million last week at this time and up from 1.942 million a year ago. CME Lean Hog Index as of December 3 was 84.07, up 0.01 for the day and down -1.83 versus a week ago. The USDA pork cutout, released after the close Thursday, came in at \$87.82, down \$1.07 from Wednesday and down from \$88.60 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:

Strong export sales failed to give the market much of a boost yesterday and fund length and record high open interest are worrisome factors if prices continue to slide lower. This week's low of 85.50 is initial support and a close below that level would point to a break to at least 83.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/06/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 85.320. The next area of resistance is around 86.920 and 87.600, while 1st support hits today at 85.800 and below there at 85.320.

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	186.320	40.34	44.89	64.59	57.31	187.91	188.05	187.21	187.60	186.60
FCF25	254.925	54.91	58.98	84.38	78.32	257.01	257.13	252.30	247.63	244.78
LHG25	86.350	52.55	55.28	67.49	63.97	87.13	86.96	85.71	83.89	82.28
Calculations based on previous session. Data collected 12/05/2024										
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	184.570	185.200	186.820	187.450	189.070
FCF25	Feeder Cattle	252.168	253.212	255.593	256.637	259.018
LHG25	Lean Hogs	85.300	85.770	86.450	86.920	87.600
Calculations based on previous session. Data collected 12/05/2024						
Data sources can & do produce bad ticks. Verify before use.						

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