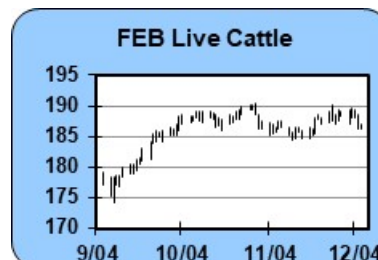


DAILY CATTLE COMMENTARY

12/9/2024

Managed money net long hits 5-year high

February live cattle prices closed out last week at a 20-day low despite supportive cash trade. The poor technical action may push prices lower in the near-term. Feeder cattle held up better than live cattle last week as auction barns report very strong feeder demand. Managed Money traders increased their net long to a 5-year high last week. With the economy showing no signs of major weakness, beef demand is expected to at least hold steady into the 1st quarter of 2025. Look for key support on February live cattle at 184.35. The 5-area, 5-day weighted average for last week ended at 190.53, up from 189.21 at the end of the prior week. The USDA estimated cattle slaughter came in at 117,000 head Friday and 12,000 head for Saturday. This brought the total for last week to 614,000 head, up from 536,000 the previous week but down from 638,200 a year ago. The USDA boxed beef cutout was up \$4.08 at mid-session Friday and closed \$4.20 higher at \$312.04. This was up from \$310.52 the previous week.



The Commitments of Traders report for the week ending December 3rd showed Cattle Managed Money traders were net long 122,400 contracts after increasing their already long position by 7,004 contracts. CIT traders net sold 2,858 contracts and are now net long 90,129 contracts. Non-Commercial No CIT traders added 4,544 contracts to their already long position and are now net long 92,982. Non-Commercial & Non-Reportable traders net bought 3,807 contracts and are now net long 102,801 contracts.

TODAY'S MARKET IDEAS:

February live cattle closed poorly on Friday and if this week starts out weaker as well, heavily loaded managed money longs may begin to liquidate. In our opinion, fundamentals do not suggest a major decline in live cattle prices at this stage but a test of support at 184.60 is very possible.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 11/26/2024 - 12/3/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	18,436	+1,931	-6,807	-1,426	-11,630	-506
Cattle	138,970	+4,023	-102,800	-3,806	-36,169	-216

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) 12/09/2024: Declining momentum studies in the neutral zone will tend to reinforce lower

price action. 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 185.470. The next area of resistance is around 186.620 and 187.250, while 1st support hits today at 185.750 and below there at 185.470.

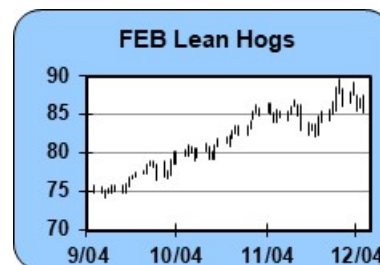
FEEDER CATTLE (JAN) 12/09/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside objective is 254.569. The next area of resistance is around 256.512 and 257.318, while 1st support hits today at 255.138 and below there at 254.569.

DAILY HOGS COMMENTARY

12/9/2024

Funds add to record long position

February hog prices reversed higher Friday and closed strong. CFTC data showed managed money longs added another nearly 9000 contracts to their record net long. However, so far, the minor pullback over the last week was not enough to result in fund liquidation and with Friday's upside reversal, prices may resume the uptrend. CME Lean Hog Index as of December 4 was 83.93, down -0.14 for the day and down -1.58 versus a week ago. This is the lowest since October 18. The USDA estimated hog slaughter came in at 480,000 head Friday and 185,000 head for Saturday. This brought the total for last week to 2.602 million head, up from 2.283 million the previous week but down from 2.668 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$90.37, up \$2.55 from Thursday and up from \$90.05 the previous week. The previous low was \$87.82 on December 5. The previous high was \$92.05 on December 2.



Hogs positioning in the Commitments of Traders for the week ending December 3rd showed Hogs Managed Money traders hit a new extreme long of 133,507 contracts. Managed Money traders were net long 133,507 contracts after increasing their already long position by 8,746 contracts. CIT traders net bought 3,187 contracts and are now net long 114,722 contracts. Non-Commercial No CIT traders are net long 91,543 contracts after net buying 5,602 contracts. Hogs Non-Commercial & Non-Reportable traders hit a new extreme long of 131,086 contracts. Non-Commercial & Non-Reportable traders net bought 5,659 contracts and are now net long 131,086 contracts.

TODAY'S MARKET IDEAS:

Friday's strong close in February hogs sets up a potential test of the contract highs at 89.60. Even with record high managed money longs, until the technical picture weakens enough to force funds to liquidate, traders on unlikely to be too concerned. Key support now stands at 85.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 11/26/2024 - 12/3/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	151,566	+8,200	-131,086	-5,659	-20,480	-2,541

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/09/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. The outside day up is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 84.770. The next area of resistance is around 88.370 and 89.000, while 1st support hits today at 86.270 and below there at 84.770.

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	186.170	39.43	44.22	58.49	46.30	187.48	187.83	187.25	187.56	186.71
FCF25	255.825	57.70	60.67	80.92	74.01	256.75	257.30	253.05	247.92	245.19
LHG25	87.320	58.46	58.99	66.96	65.90	86.97	87.14	85.79	84.05	82.48

Calculations based on previous session. Data collected 12/06/2024
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	185.450	185.720	186.350	186.620	187.250
FCF25	Feeder Cattle	254.568	255.137	255.943	256.512	257.318
LHG25	Lean Hogs	84.750	86.250	86.870	88.370	89.000

Calculations based on previous session. Data collected 12/06/2024
Data sources can & do produce bad ticks. Verify before use.

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