

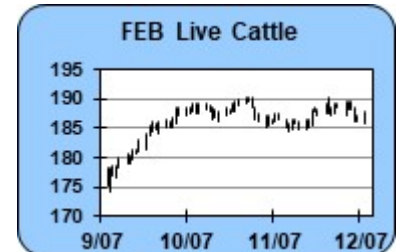
DAILY CATTLE COMMENTARY

12/10/2024

Cash expectations steady at best this week

February live cattle prices started yesterday with a new 3-week low but turned higher and closed strong, while January feeders ended steady. Packers likely have plenty of inventory coming into this week after cash prices last week were the highest since mid-August. It is doubtful packers will pay up, resulting in cash expectations steady at best. Yesterday's reversal low at 185.90 is now key support and if taken out, could trigger fund liquidation. USDA did not report any cash trade yesterday, but we did hear of some possible trade in Kansas at 191.

The 5-area, 5-day weighted average remains unchanged from the end of last week at 190.86. The USDA estimated cattle slaughter came in at 119,000 head Monday. This was up from 117,000 last week but down from 125,212 a year ago. The USDA boxed beef cutout was up \$2.27 at mid-session Monday and closed \$2.10 higher at \$314.14. This was up from \$313.01 the previous week.



TODAY'S MARKET IDEAS:

February live cattle turned higher yesterday morning and ended with a reversal up, creating key support now at yesterday's low of 185.90. On the upside, February needs a breakout over 190.00 to confirm a bullish technical pattern and project a run to 195.00. A move below yesterday's low could spark an aggressive round of fund long liquidation.

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) 12/10/2024: The major trend could be turning up with the close back above the 60-day moving average. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day up is a positive signal. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside objective is now at 185.000. The next area of resistance is around 188.020 and 188.920, while 1st support hits today at 186.050 and below there at 185.000.

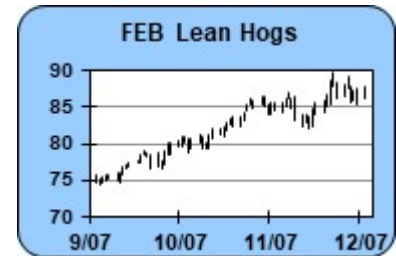
FEEDER CATTLE (JAN) 12/10/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The next downside objective is 254.007. The next area of resistance is around 256.887 and 258.356, while 1st support hits today at 254.713 and below there at 254.007.

DAILY HOGS COMMENTARY

12/10/2024

Near record high open interest and record fund longs

February hogs ended weaker yesterday. If prices fall below Friday's low of 85.37, managed Money traders are likely to begin liquidating some long positions. Open interest remains near all-time highs and funds hold a similar all-time high record long position. This is typically an explosive set up for an accelerated downside move, however, funds are only likely to consider exiting positions once a technical top is confirmed, which has not been seen yet. CME Lean Hog Index as of December 5 was 83.73, down -0.20 for the day and down -1.48 versus a week ago. This is the lowest since March 27. The USDA estimated hog slaughter came in at 489,000 head Monday. This was unchanged from last week but up from 462,517 a year ago. The USDA pork cutout, released after the close Monday, came in at \$93.10, up \$2.73 from Friday and up from \$92.05 the previous week.



TODAY'S MARKET IDEAS:

No upside follow-through yesterday on February hogs after Friday's strong gains and that may be disappointing to the bull camp to start today's session. Friday's low at 85.37 on February is key support and a breach of that level could trigger long liquidation. If February can rebound, next resistance is 89.60, the contract high.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK 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.

LEAN HOGS (FEB) 12/10/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is 85.100. The next area of resistance is around 87.320 and 88.420, while 1st support hits today at 85.670 and below there at 85.100.

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	187.020	47.09	48.87	53.14	42.45	186.96	187.75	187.30	187.54	186.84
FCF25	255.800	57.59	60.60	76.99	69.14	255.88	257.33	253.73	248.18	245.61
LHG25	86.500	52.27	54.85	65.79	63.46	86.63	87.21	85.80	84.20	82.67

Calculations based on previous session. Data collected 12/09/2024

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	184.970	186.020	186.950	188.020	188.920
FCF25	Feeder Cattle	254.006	254.712	256.181	256.887	258.356
LHG25	Lean Hogs	85.070	85.650	86.750	87.320	88.420

Calculations based on previous session. Data collected 12/09/2024

Data sources can & do produce bad ticks. Verify before use.

****This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.*