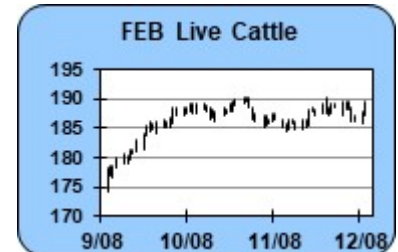


DAILY CATTLE COMMENTARY

12/11/2024

Cash trade in the south at \$191

February live cattle moved sharply higher yesterday and prices are nearing important resistance at 190.00. USDA's supply/demand data showed higher beef imports for 2024, while beef exports were unchanged. Beef production for 2025 was reduced due to the US border closure to Mexican cattle imports. No word yet on any timetable for the border reopening. The longer the border remains closed, the more bullish for cattle prices. Cash cattle trade was reported in Kansas and Texas yesterday steady-\$1.00 higher from last week at 191 and USDA revised Monday's total to show light trade in the north at 189. The 5-area, 5-day weighted average for the week is now 190.88, up from 190.86 the end of last week. The USDA estimated cattle slaughter came in at 120,000 head Tuesday. This brings the total for the week so far to 239,000 head, down from 242,000 last week at this time and down from 252,138 a year ago. The USDA boxed beef cutout was down \$2.17 at mid-session Tuesday and closed \$2.41 lower at \$311.73. This was up from \$310.83 the previous week.



TODAY'S MARKET IDEAS:

February live cattle look headed for a test of the November highs at 190.05 as the border closure and technical strength give the edge to the bull camp. Cash trade for the week so far has been steady to slightly higher. Upside momentum may push prices above the November high and a breakout above that level would open the door for a run to 195.00.

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) 12/11/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next downside objective is 186.220. The next area of resistance is around 190.220 and 191.020, while 1st support hits today at 187.850 and below there at 186.220.

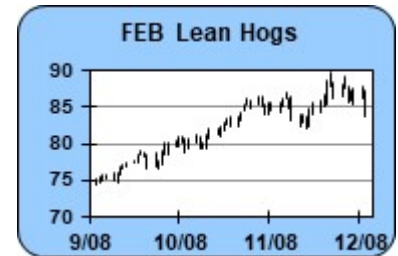
FEEDER CATTLE (JAN) 12/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside objective is now at 254.075. The next area of resistance is around 258.824 and 260.074, while 1st support hits today at 255.825 and below there at 254.075.

DAILY HOGS COMMENTARY

12/11/2024

Technical outlook weakening, fund long liquidation possible

February hogs yesterday fell sharply and tested 50-day moving average support, which it has not closed below since August 22. The combination of record high open interest and record fund longs is worrisome for the bull camp if technical weakness forces fund long liquidation. Look for next support at the November lows of 82.10. USDA supply/demand data yesterday showed lower pork exports for 2024 and 2025 based on slower than previously expected demand growth in key markets. The hog price forecast was raised for 2024 due to the recent futures rally. CME Lean Hog Index as of December 6 was 83.46, down -0.27 for the day and down -0.90 versus a week ago. This is the lowest since March 21. The USDA estimated hog slaughter came in at 488,000 head Tuesday. This brings the total for the week so far to 977,000 head, up from 976,000 last week at this time and up from 938,098 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$92.56, down 54 cents from Monday but up from \$89.03 the previous week.



TODAY'S MARKET IDEAS:

Tuesday's weak close suggests some follow-through to the downside today and the uptrend is hanging by a thread. If further technical weakness triggers heavily long funds to liquidate, a sharp break could be in the cards. Next support on February hogs is 82.10 with longer-term moving average support sitting at 79.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/11/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend has turned down with the cross over back below the 18-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 81.520. The next area of resistance is around 86.350 and 88.600, while 1st support hits today at 82.820 and below there at 81.520.

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	189.020	60.36	57.80	52.78	52.04	187.14	187.90	187.47	187.56	186.99
FCF25	257.325	62.55	63.55	73.64	66.95	255.97	257.25	254.49	248.43	246.06
LHG25	84.570	40.89	46.62	61.40	52.60	86.19	86.79	85.72	84.29	82.82

Calculations based on previous session. Data collected 12/10/2024

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	186.200	187.820	188.600	190.220	191.020
FCF25	Feeder Cattle	254.075	255.825	257.075	258.824	260.074
LHG25	Lean Hogs	81.500	82.800	85.050	86.350	88.600

Calculations based on previous session. Data collected 12/10/2024

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