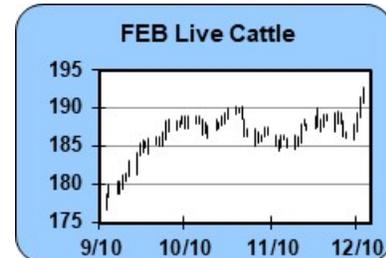


DAILY CATTLE COMMENTARY

12/13/2024

US border reopens to Mexican cattle imports

The sharp rally this week found resistance yesterday and prices closed lower on February live cattle and feeders. The weakness may be coming from reports an inspection protocol was signed yesterday with Mexico and the US border is now reopened to Mexican cattle imports. Cattle will be inspected at the Mexican border before they enter the US. Cattle prices in some areas of northern Mexico fell by 50% while the border was closed. If February live cattle closes lower today after yesterday's reversal down, a pullback to retracement support at 189.25 would be possible. Cash trade developed yesterday across the South at \$192 and in the north at 192 - 196. Nebraska prices are now up nearly \$9 since mid-November. The 5 - area, 5 - day weighted average for the week is now 192.72, up from 190.86 last week. The USDA estimated cattle slaughter came in at 125,000 head Thursday. This brings the total for the week so far to 489,000 head, up from 485,000 last week at this time but down from 503,183 a year ago. The USDA boxed beef cutout was up \$4.16 at mid-session Thursday and closed \$4.01 higher at \$315.24. This was up from \$307.84 the previous week.



TODAY'S MARKET IDEAS:

Strong cash prices were the main driver of this week's sharp rally but news the border is now reopened to Mexican cattle imports may result in a pullback after yesterday's reversal down on February live cattle. Initial support is 190.00 but more important 50% retracement of this week's bounce comes in at 189.25. A higher close today would negate yesterday's reversal and keep 195.00 as the next upside target.

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) 12/13/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 193.300. The next area of resistance is around 191.850 and 193.300, while 1st support hits today at 189.820 and below there at 189.220.

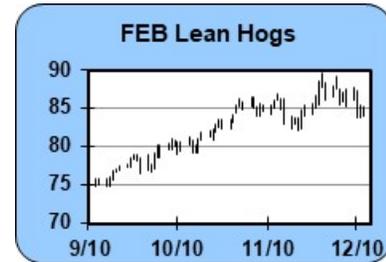
FEEDER CATTLE (JAN) 12/13/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 256.257. The next area of resistance is around 259.662 and 261.506, while 1st support hits today at 257.038 and below there at 256.257.

DAILY HOGS COMMENTARY

12/13/2024

Pork sales to China for 2024 hit 7-yr low

February hogs have held the 50-day moving average support for the last 3 days and heavy managed money longs will be feeling the pinch if prices close below 83.75, with aggressive long liquidation possible. Pork sales to China this year have hit a seven-year low, although sales to other destinations have been strong. CME Lean Hog Index as of December 10 was 83.61, up 0.28 for the day and down -0.46 versus a week ago. The USDA estimated hog slaughter came in at 478,000 head Thursday. This brings the total for the week so far to 1.942 million head, up from 1.937 million last week at this time and up from 1.916 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$91.80, down 37 cents from Wednesday but up from \$87.82 the previous week.



TODAY'S MARKET IDEAS:

Yesterday's daily trading volume was the lowest of the week but February prices continue to hold key moving average support. If the market moves below 83.75 on February, the risk of significant fund long liquidation increases. Downside targets if support is breached are 82.10 and longer-term moving average support at 79.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/13/2024: 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 market tilt is slightly negative with the close under the pivot. The next downside objective is 83.250. The next area of resistance is around 85.120 and 85.870, while 1st support hits today at 83.820 and below there at 83.250.

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 | 190.820 | 66.09 | 62.70 | 62.12 | 70.27 | 189.57 | 188.46 | 188.13 | 187.67 | 187.33 |
| FCF25 | 258.350 | 63.63 | 64.25 | 70.89 | 68.20 | 257.63 | 257.15 | 255.99 | 248.96 | 246.91 |
| LHG25 | 84.470 | 40.71 | 46.33 | 47.06 | 32.20 | 84.98 | 86.19 | 85.84 | 84.48 | 83.07 |

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

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 | 189.200 | 189.800 | 191.250 | 191.850 | 193.300 |
| FCF25 | Feeder Cattle | 256.256 | 257.037 | 258.881 | 259.662 | 261.506 |
| LHG25 | Lean Hogs | 83.220 | 83.800 | 84.550 | 85.120 | 85.870 |

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

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