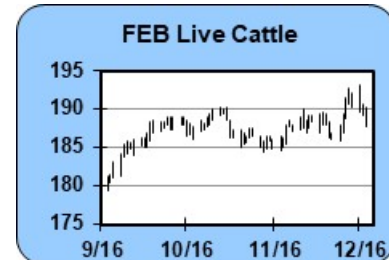


DAILY CATTLE COMMENTARY

12/19/2024

Weak stock market may weigh on cattle futures

The Fed's comments that there may be a pause in further rate cuts next year resulted in sharp weakness in the stock market yesterday afternoon after the cattle market closed. This may result in pressure on today's cattle opening. Weekly export sales this morning were poor and about half of the average of the past month. February live cattle weakened sharply yesterday, although the market held the 50-day moving average support at 187.87. Next key support is the December low at 185.90. If that level is taken out, much larger fund liquidation is likely. California has issued a bird flu emergency as the virus has



spread throughout the state but the impact on the cattle futures market is unclear. Cash cattle trade was reported in the north yesterday at \$194 - 195.5, mostly steady with last week. The 5 - area, 5 - day weighted average for the week is now 194.90, up from 194.03 at the end of last week. The USDA estimated cattle slaughter came in at 123,000 head Wednesday. This brings the total for the week so far to 364,000 head, unchanged from last week at this time but down from 371,498 a year ago. The USDA boxed beef cutout was down \$1.50 at mid-session Wednesday and closed 79 cents lower at \$314.84. This was up from \$311.23 the previous week. U.S. beef export sales for the week ending December 12 came in at 7,200 tonnes compared with the average of the previous four weeks of 14,400 tonnes. Cumulative sales for the 7.2 have reached 849,500 tonnes, up 1.9% versus last year's pace.

USDA's cattle on feed report will be released Friday afternoon and the pre-report estimates have On Feed at 99.9% (range of 99.4% to 100.6%) versus last year at 102.4%. Placement average estimate is 96.1% (range of 92.6% to 98.9%) versus last year at 98.1%. The average estimate for Marketings is 98.1% with a range of 96.6% to 98.7%. Last year at this time was 92.5%. There was 1 less weekday this November than a year ago.

TODAY'S MARKET IDEAS:

Sharp weakness in the stock market and a significant rally in the US dollar yesterday afternoon may put further pressure on cattle prices today. Yesterday's low on February live cattle held the 50 day moving average which stands at 187.87. A move below that level could send prices down to key support at the December low of 185.90.

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) 12/19/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 186.200. The next area of resistance is around 189.570 and 191.170, while 1st support hits today at 187.100 and below there at 186.200.

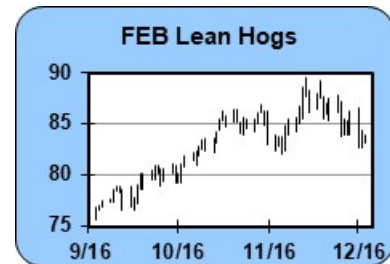
FEEDER CATTLE (JAN) 12/19/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend has turned down with the cross over back below the 18-day moving average. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 254.800. The next area of resistance is around 258.150 and 259.400, while 1st support hits today at 255.850 and below there at 254.800.

DAILY HOGS COMMENTARY

12/19/2024

Weekly export sales weaker than expected

February prices had a small trading range yesterday and the last 2 sessions have remained inside Monday's large trading range. Weekly export sales this morning were disappointing and significantly below the average of the last month. Yesterday afternoon's sharp rally in the US dollar and weak stock market may not bode well for hog prices today. A move below the November low at 82.10 would be a significant bearish sign. The USDA Hog and Pig report will be out on Monday and the December 1 hog inventory is seen increasing to 75.61 million head from 75.46 last year. The breeding herd is expected up.1% and market hogs up.2% year-over-year. The September - November pig crop is seen rising.8% year-over-year to 34.81 million head. CME Lean Hog Index as of December 16 was 83.98, up 0.14 for the day and up 0.65 versus a week ago. This is the highest since December 5. The USDA estimated hog slaughter came in at 488,000 head Wednesday. This brings the total for the week so far to 1.463 million head, down from 1.464 million last week at this time but up from 1.447 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$95.96, up \$1.79 from Tuesday and up from \$92.17 the previous week. The average hog weight for Iowa-Southern Minnesota as of December 14 was 289.5 pounds, up from 289.1 pounds the previous week and down from 289.7 a year ago. The 5-year average is 288.7 pounds. U.S. pork export sales for the week ending December 12 came in at 11,200 tonnes compared with the average of the previous four weeks of 36,000 tonnes. Cumulative sales for the 2024 marketing year have reached 1,740,200 tonnes, down 2.4% versus last year's pace.



TODAY'S MARKET IDEAS:

February hog prices were relatively flat yesterday but the major rally in the US dollar yesterday afternoon and this morning's poor weekly export sales may weigh on this morning's opening. Key support on February remains at 82.10 and record fund longs are likely to liquidate if prices fall below that level. Aggressive long liquidation could push prices down to longer-term support at 79.00. Initial resistance now stands at 85.70.

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) 12/19/2024: The major trend could be turning up with the close back above the 60-day moving average. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 82.750. The next area of resistance is around 84.120 and 84.470, while 1st support hits today at 83.270 and below there at 82.750.

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	188.320	46.74	49.70	61.84	52.67	190.02	189.39	188.72	187.82	187.72
FCF25	257.000	55.02	58.11	53.59	45.16	256.92	257.11	257.12	249.88	248.23
LHG25	83.700	40.44	44.50	26.37	17.88	84.01	84.81	85.88	84.82	83.47

Calculations based on previous session. Data collected 12/18/2024

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	186.170	187.070	188.670	189.570	191.170
FCF25	Feeder Cattle	254.800	255.850	257.100	258.150	259.400
LHG25	Lean Hogs	82.720	83.250	83.600	84.120	84.470

Calculations based on previous session. Data collected 12/18/2024

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.