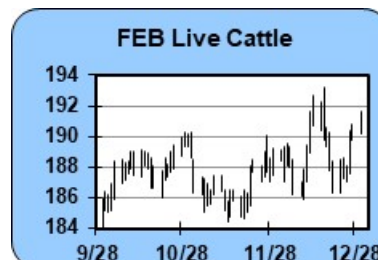


### DAILY CATTLE COMMENTARY

12/31/2024

#### Cash trade expected steady/higher this week

Reminder - regular trading hours today on the meats and they will reopen Thursday morning at 8:30 AM. February live cattle ignored stock market weakness yesterday and closed near unchanged. Surprisingly, the Arctic blast coming into the Plains did not offer much of the weather bounce. No cash trade was reported in the major feeding regions yesterday and the 5 - area, 5 - day weighted average for the week remains unchanged from the end of last week at 194.35. Cash trade will likely hold off until later this week and with packers buying for a full kill week, steady/higher prices are expected. CFTC data showed Managed Money decreased their net longs by nearly 6000 contracts but still hold a historically large long position that could become a trigger for a selloff once the market begins to break below support. Showlist sizes this week are expected down 322 head in Texas to 76,252 head, up 9688 in Kansas to 87,080 head and up 6675 in Nebraska/Colorado to 61,930 head. The USDA estimated cattle slaughter came in at 123,000 head Monday. This was up from 118,000 last week. The USDA boxed beef cutout was up \$3.00 at mid-session Monday and closed \$2.99 higher at \$325.37. This was up from \$320.69 the previous week.



The December 24th Commitments of Traders report showed Cattle Managed Money traders are net long 128,569 contracts after net selling 5,779 contracts. CIT traders were net long 93,711 contracts after increasing their already long position by 80 contracts. Non-Commercial No CIT traders are net long 94,881 contracts after net selling 9,562 contracts. Non-Commercial & Non-Reportable traders are net long 111,643 contracts after net selling 6,830 contracts.

#### TODAY'S MARKET IDEAS:

Record high cash trade last week and cold temperatures heading into the Plains are supportive factors for the final trading day of the year. Key resistance is at the December highs of 193.22 and close-in support now stands at 188.90 on February live cattle. Cutout was significantly stronger yesterday and that bodes well for potentially higher cash trade this week, which would be supportive to live cattle futures.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 12/17/2024 - 12/24/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Feeder Cattle	17,847	-1,062	-5,898	+225	-11,949	+837
Cattle	144,864	-8,169	-111,643	+6,831	-33,221	+1,339

#### 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) 12/31/2024:** Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 192.050. The next area of resistance is around 191.020 and 192.050, while 1st support hits today at 189.570 and below there at 189.120.

**FEEDER CATTLE (JAN) 12/31/2024:** The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next upside target is 263.637. The next area of resistance is around 262.775 and 263.637, while 1st support hits today at 260.475 and below there at 259.038.

## DAILY HOGS COMMENTARY

12/31/2024

### Technical breakdown shifts the edge to the bear camp

February hogs had a significant technical breakdown yesterday as prices fell below recent lows and closed at their lowest level since October 17. The catalyst for the selloff is elusive but once prices fell below key support at the mid-December low of 82.67, significant sell stops were triggered. Open interest dropped nearly 6000 contracts as funds liquidated. CFTC data showed minimal change in the fund net long position as of Tuesday of last week but the long position still remains extremely large historically and yesterday's technical breakdown could trigger a sharp and aggressive selloff as fund longs rush for the exits.

CME Lean Hog Index as of December 26 was 84.85, down -0.25 for the day and up 0.50 versus a week ago. The USDA estimated hog slaughter came in at 490,000 head Monday. This was unchanged from last week. The USDA pork cutout, released after the close Monday, came in at \$93.46, down 91 cents from Friday and down from \$96.45 the previous week.

The Commitments of Traders report for the week ending December 24th showed Hogs Managed Money traders are net long 121,985 contracts after net selling 323 contracts. CIT traders were net long 110,355 contracts after decreasing their long position by 4,084 contracts. Non-Commercial No CIT traders net sold 2,166 contracts and are now net long 82,162 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 1,492 contracts to a net long 116,615 contracts.

### TODAY'S MARKET IDEAS:

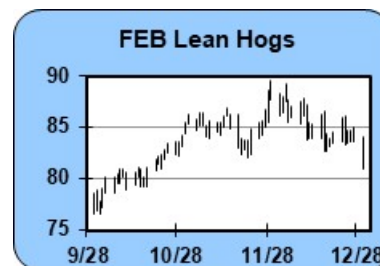
After several days of sideways action, February hogs ended sharply weaker after taking out key support. A head and shoulders top formation was confirmed yesterday with a close convincingly below the neckline and the previous low of 82.67 will now become overhead resistance. The extremely large fund long position raises the odds for a significant selloff now that the recent uptrend has been broken. Close in support stands at the 100-day moving average of 80.55 and longer-term support at the 200-day moving average stands at 78.85.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.



Commitment of Traders - Futures and Options - 12/17/2024 - 12/24/2024

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	134,390	-4,443	-116,615	+1,491	-17,775	+2,951

## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 12/31/2024: The major trend has turned down with the cross over back below the 60-day moving average. The daily stochastics have crossed over down which is a bearish indication. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 78.850. The next area of resistance is around 83.250 and 85.320, while 1st support hits today at 80.020 and below there at 78.850.

## 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
<b>MEAT COMPLEX</b>										
LCG25	190.300	57.79	56.30	43.78	50.29	189.61	188.77	188.89	187.91	187.99
FCF25	261.625	68.34	65.48	57.44	75.07	259.54	257.70	257.26	251.95	250.33
LHG25	81.620	31.61	37.65	26.65	22.73	83.59	83.91	84.68	85.10	84.11

Calculations based on previous session. Data collected 12/30/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCG25	Live Cattle	189.100	189.550	190.570	191.020	192.050
FCF25	Feeder Cattle	259.037	260.474	261.337	262.775	263.637
LHG25	Lean Hogs	78.820	80.000	82.070	83.250	85.320

Calculations based on previous session. Data collected 12/30/2024

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