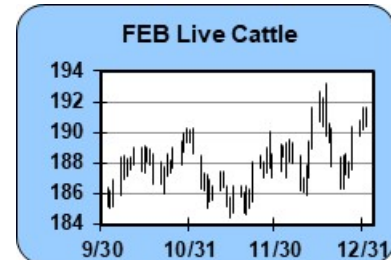


DAILY CATTLE COMMENTARY

1/2/2025

Open interest rise Tuesday suggests new fund buying

February live cattle closed at a 2-week high on Tuesday and the friendly technical picture points to a possible test of the December highs of 193.22. Open interest on live cattle was up more than 4500 contracts on the rally Tuesday which further reinforces that new fund longs are entering the market. The first 2 days of this week, light cash trade reported in Kansas at 192 and a few head in the north at 197. Heavier cash trade is likely to develop today and tomorrow and the 5 - area, 5 - day weighted average for the week so far stands at 194.43, up from 194.35 at the end of last week. The USDA estimated cattle slaughter came in at 102,000 head Tuesday. This brings the total for the week so far to 225,000 head, up from 156,000 last week at this time and up from 121,981 a year ago. Last week's slaughter volume was the lowest of the year. The USDA boxed beef cutout was down 51 cents at mid-session Tuesday and closed \$1.15 lower at \$324.22. This was up from \$315.85 the previous week.



TODAY'S MARKET IDEAS:

Anticipation of higher cash trade this week, cold temperatures moving into the Plains and renewed fund buying are all positive factors for the market. Key resistance is at the December highs of 193.22 and close-in support now stands at 189.20 on February live cattle. The path of least resistance looks higher.

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) 01/02/2025: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 192.550. The next area of resistance is around 192.200 and 192.550, while 1st support hits today at 191.000 and below there at 190.070.

FEEDER CATTLE (JAN) 01/02/2025: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 264.700. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 264.049 and 264.700, while 1st support hits today at 262.000 and below there at 260.600.

DAILY HOGS COMMENTARY

1/2/2025

Rallies above 82.50 on Feb likely to encounter major resistance

February hogs continued the technical downside momentum on Tuesday but did bounce back late in the day to close only modestly lower. However, this week's break on solid trading volume has significantly weakened the chart outlook and rallies back above 82.50 are likely to struggle. Look for next significant support at the 200-day moving average at 78.90. CME Lean Hog Index as of December 27 was 84.35, down -0.50 for the day and down -0.40 versus a week ago. This is the lowest since December 20. The USDA estimated hog slaughter came in at 411,000 head Tuesday. This brings the total for the week so far to 892,000 head, up from 661,000 last week at this time and up from 485,776 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$89.32, down \$4.10 from Monday and down from \$96.92 the previous week.



TODAY'S MARKET IDEAS:

The uptrend since August was broken this week and speculators can consider selling rallies. February prices tested the 100-day moving average Tuesday and longer-term 200-day support stands at 78.90. A retest of the neckline of the head and shoulders top pattern may be a selling opportunity and speculators can consider placing sell orders at 82.50 or above on February futures.

NEW RECOMMENDATIONS:

Sell February Hogs at 82.45. Risk to 83.77. Use an objective of 79.05.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/02/2025: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 79.170. The next area of resistance is around 82.300 and 83.150, while 1st support hits today at 80.320 and below there at 79.170.

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	191.570	63.29	60.14	48.81	58.88	190.66	188.97	189.07	187.94	188.05
FCF25	263.025	71.72	67.85	66.12	83.47	261.33	258.32	257.60	252.34	250.64
LHG25	81.270	30.29	36.63	24.98	21.63	82.82	83.70	84.40	85.05	84.13

Calculations based on previous session. Data collected 12/31/2024

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	190.050	190.950	191.300	192.200	192.550
FCF25	Feeder Cattle	260.599	261.999	262.650	264.049	264.700
LHG25	Lean Hogs	79.150	80.300	81.150	82.300	83.150

Calculations based on previous session. Data collected 12/31/2024

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