

DAILY CATTLE COMMENTARY

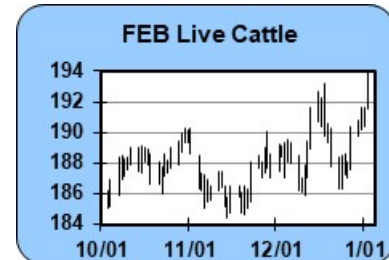
1/3/2025

Strong cash trade drives live cattle to 9-month highs

February live cattle rallied sharply yesterday on strong cash trade, cold and snow in the Midwest and bullish technical considerations.

Yesterday's settlement was the highest since March 20th. There is no denying the chart outlook is very strong and feeder cattle moved to a new all-time high. Next significant resistance is the March highs at 194.85. The Strong cash cattle trade developed yesterday in the north at 198 - 199.5 and in the South at 193 - 196. The 5 - area, 5 - day weighted average for the week is now 194.82, up from 194.35 last week. The USDA estimated cattle slaughter came in at 125,000 head

Thursday. This brings the total for the week so far to 350,000 head, up from 275,000 last week at this time but down from 373,234 a year ago. The USDA boxed beef cutout was down \$1.67 at mid-session Thursday and closed 74 cents lower at \$323.48. This was up from \$315.98 the previous week.



TODAY'S MARKET IDEAS:

The significant technical breakout yesterday in February live cattle pushed prices up to 9-month highs and cleared significant resistance that had held prices in check since March. Strong cash trade and wintry conditions are likely to push prices up for a test of the 2024 highs at 194.85. Look for initial support now at 191.55.

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) 01/03/2025: 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. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside target is 195.570. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 194.800 and 195.570, while 1st support hits today at 192.400 and below there at 190.750.

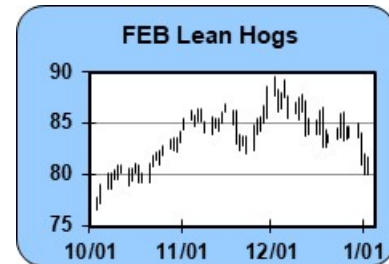
FEEDER CATTLE (JAN) 01/03/2025: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 269.924. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 268.549 and 269.924, while 1st support hits today at 264.400 and below there at 261.625.

DAILY HOGS COMMENTARY

1/3/2025

Technicals point to further weakness

February hogs yesterday had nearly the same range as Tuesday and once again held 100-day moving average support. The overall bearish technical shift on the chart this week is likely to keep selling resistance above the market and the odds favor a further pullback. Look for strong resistance on any rally to 82.50 or above. CME Lean Hog Index as of December 30 was 84.27, down -0.08 for the day and down -0.48 versus a week ago. This is the lowest since December 20. The USDA estimated hog slaughter came in at 489,000 head Thursday. This brings the total for the week so far to 1.381 million head, up from 1.151 million last week at this time but down from 1.446 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$88.64, down 68 cents from Tuesday and down from \$93.83 the previous week.



U.S. pork export sales for the week ending December 26 came in at 7,500 tonnes compared with the average of the previous four weeks of 38,100 tonnes. Cumulative sales for the 2024 marketing year have reached 1,754,800 tonnes, down 3.3% versus last year's pace.

TODAY'S MARKET IDEAS:

Poor chart action this week looks to have broken the uptrend since August and speculators can look to sell a bounce. 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) 01/03/2025: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 79.220. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 82.050 and 82.850, while 1st support hits today at 80.250 and below there at 79.220.

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	193.570	70.04	65.20	56.44	71.71	191.54	189.56	189.48	188.02	188.14
FCF25	266.475	78.18	72.81	73.60	88.58	263.13	259.37	258.24	252.77	250.98
LHG25	81.150	29.64	36.15	23.37	20.15	82.06	83.41	84.11	84.98	84.14

Calculations based on previous session. Data collected 01/02/2025

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	190.720	192.370	193.150	194.800	195.570
FCF25	Feeder Cattle	261.625	264.400	265.775	268.549	269.924
LHG25	Lean Hogs	79.200	80.220	81.020	82.050	82.850

Calculations based on previous session. Data collected 01/02/2025

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