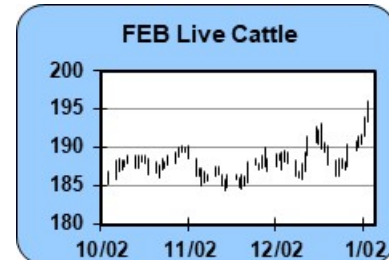


### DAILY CATTLE COMMENTARY

1/6/2025

#### Record high cash prices last week

February live cattle rallied sharply early in the session Friday but fell back to close only modestly higher. The market did not get a reversal down or other bearish technical signal and the long-term trend remains up, but the long tail left on the daily chart Friday could result in a minor pullback this week, especially now that the winter storm across the Midwest will be winding down in the cattle feeding areas. Look for initial pullback support at 192.40. Record high cash trade last week boosted futures prices as packers paid up for inventory for the 1st full kill week of the year. Cash prices were as much as \$3 - \$8 higher and were stronger in all regions. The 5 - area, 5 - day weighted average for the week ended at 197.01, up from 194.35 at the end of the prior week. The estimated average dressed cattle weight for the week ending January 4 is 870 pounds, up from 869 the previous week and up from 854 a year ago. The 5-year average weight for that week is 840 pounds. Estimated beef production last week was 432.2 million pounds, down from 462.3 million a year ago. The USDA estimated cattle slaughter came in at 121,000 head Friday and 36,000 head for Saturday. This brought the total for last week to 434,000 head, down from 617,000 the previous week and down from 500,521 a year ago. The USDA boxed beef cutout was up \$1.46 at mid-session Friday and closed \$1.76 higher at \$325.24. This was up from \$320.39 the previous week.



U.S. beef export sales for the week ending December 26 came in at 1,400 tonnes compared with the average of the previous four weeks of 14,000 tonnes. Cumulative sales for the 1.4 have reached 852,000 tonnes, up 1.2% versus last year's pace.

#### TODAY'S MARKET IDEAS:

Last week's major technical breakout is long-term positive for prices but Friday's selloff from the early highs raises the odds of a near-term pullback. Managed Money traders are long and are likely to defend that position by buying a break. CFTC data will be out later this afternoon to gauge the fund position. Look for 1st buying support at 192.40 and then 191.25 on February live cattle.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 01/06/2025: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 197.220. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 195.450 and 197.220, while 1st support hits today at 192.670 and below there at 191.650.

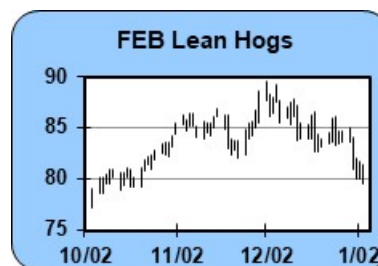
FEEDER CATTLE (JAN) 01/06/2025: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 269.462. The next area of resistance is around 266.900 and 269.462, while 1st support hits today at 262.750 and below there at 261.163.

## DAILY HOGS COMMENTARY

1/6/2025

### Lower lows and lower highs on Feb Hogs each day last week

February hog prices fell early in the session Friday and hit their lowest level since October 15 but rebounded to close slightly lower on the day. However, prices did make lower lows and lower highs each day last week after the chart breakdown last Monday and the technical picture still points lower. Longer-term 200-day moving average support on February hogs comes in at 78.87 and 50% retracement back down to the August lows stands at 78.47. Estimated US pork production for the week ending January 4 is 495.6 million pounds, up from 444 the previous week and down from 517.8 a year ago. CME Lean Hog Index as of December 31 was 83.99, down -0.28 for the day and down -1.11 versus a week ago. This is the lowest since December 18. The USDA estimated hog slaughter came in at 488,000 head Friday and 413,000 head for Saturday. This brought the total for last week to 2.051 million head, down from 2.581 million the previous week and down from 2.223 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$89.67, up \$1.03 from Thursday but down from \$95.03 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 technical action keeps the edge with the bear camp with lower lows each day last week and the price break on February hogs has not yet reached longer-term support, which stands at 78.87. The market was unable to bounce last week to retest the head and shoulders neckline but if prices rally above 82.50 this week, speculators can consider getting short.

### 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) 01/06/2025: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 78.650. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 81.770 and 82.620, while 1st support hits today at 79.800 and below there at 78.650.

## 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	194.050	71.38	66.24	62.43	74.39	192.39	190.39	189.91	188.14	188.22
FCF25	264.825	69.62	67.45	77.18	84.34	263.99	260.52	258.74	253.23	251.27
LHG25	80.770	27.97	34.90	22.03	19.35	81.21	83.10	83.75	84.88	84.14

Calculations based on previous session. Data collected 01/03/2025

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	191.620	192.650	194.420	195.450	197.220
FCF25	Feeder Cattle	261.162	262.750	265.312	266.900	269.462
LHG25	Lean Hogs	78.620	79.770	80.620	81.770	82.620

Calculations based on previous session. Data collected 01/03/2025

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