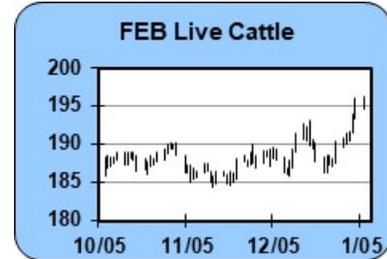


**DAILY CATTLE COMMENTARY**  
1/7/2025

**Managed Money continues to hold a major net long position**

Yesterday, February live cattle continued their sharp rally since Christmas and settled at its highest since October 2023. Trading volume has been very strong over the last 3 sessions. CFTC data showed Managed Money traders added 626 long positions as of Tuesday of last week and remain heavily long. However, the strong rally over the past several sessions is not included in that total and funds have certainly added to their positions since the middle of last week. Look for the next major upside resistance at the contract highs of 199.57 on February. Below normal temperatures will continue across the Plains for the next 2 weeks which may offer additional support for cattle market. Light cash trade was reported yesterday at \$200 in the north and there were packer bids \$2 higher than last week in Texas, which was a bit of a surprise this early in the week. The 5 - area, 5 - day weighted average stands at 198.86 compared to 197.41 at the end of last week. The USDA estimated cattle slaughter came in at 109,000 head Monday. This was down from 123,000 last week but up from 103,894 a year ago. The USDA boxed beef cutout was up \$2.00 at mid-session Monday and closed \$1.86 higher at \$327.10. This was up from \$322.38 the previous week. Showlist sizes this week are projected up 7049 head in Texas to 83,301 head, up 5359 in Kansas at 92,439 and up 3433 in Nebraska/Colorado to 65,363.



Cattle positioning in the Commitments of Traders for the week ending December 31st showed Managed Money traders added 626 contracts to their already long position and are now net long 129,195. CIT traders reduced their net long position by 1,180 contracts to a net long 92,531 contracts. Non-Commercial No CIT traders are net long 96,998 contracts after net buying 2,117 contracts. Non-Commercial & Non-Reportable traders were net long 111,239 contracts after decreasing their long position by 404 contracts.

**TODAY'S MARKET IDEAS:**

February live cattle prices continue to climb and since Christmas Eve have rallied \$10.00 on positive technicals and strong cash trade. Look for 1st buying support at 192.40 and then 191.25 on February live cattle. Minor resistance is expected at 197.50 with the contract high major resistance at 199.57.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 12/24/2024 - 12/31/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Livestock</b>						
Feeder Cattle	19,879	+2,032	-6,235	-337	-13,645	-1,696
Cattle	146,475	+1,611	-111,239	+404	-35,236	-2,015

**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) 01/07/2025:** 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 197.050. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 196.050 and 197.050, while 1st support hits today at 194.350 and below there at 193.620.

**FEEDER CATTLE (JAN) 01/07/2025:** 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 268.087. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 267.225 and 268.087, while 1st support hits today at 265.375 and below there at 264.388.

## DAILY HOGS COMMENTARY

1/7/2025

### Managed money still heavily long despite some liquidation

February hogs continued the downtrend for the 5th straight day yesterday with lower lows once again. CFTC data showed Managed Money reduced their near record net long by 13,000 contracts as of Tuesday of last week and have likely reduced it further over the past several sessions. However, the net long remains near 100,000 contracts, which is still very large and additional long liquidation is very possible. Furthermore, the east and southern US port workers may go on strike January 15, which could disrupt pork exports. February hogs have longer-term 200-day moving average support at 78.85 but a close below that level could trigger further aggressive selling. CME Lean Hog Index as of January 2 was 83.12, down -0.87 for the day and down -1.73 versus a week ago. The USDA estimated hog slaughter came in at 447,000 head Monday. This was down from 481,000 last week and down from 468,922 a year ago. The USDA pork cutout, released after the close Monday, came in at \$88.49, down \$1.18 from Friday and down from \$94.37 the previous week.



Hogs positioning in the Commitments of Traders for the week ending December 31st showed Managed Money traders net sold 13,044 contracts and are now net long 108,941 contracts. CIT traders reduced their net long position by 591 contracts to a net long 109,764 contracts. Non-Commercial No CIT traders net sold 12,933 contracts and are now net long 69,229 contracts. Non-Commercial & Non-Reportable traders were net long 103,791 contracts after decreasing their long position by 12,824 contracts.

### TODAY'S MARKET IDEAS:

February hogs continued to sink amid fund liquidation. Major 200-day moving average support at 78.85. Beyond that, 50% retracement support to the August lows comes in at 78.45. However, with funds likely still holding a net long of 100,000 contracts or more, an aggressive sharp selloff from here is not out of the question. Support at the 618% retracement to the August lows may eventually be tested at 75.82. Rallies above 82.00 are selling opportunities.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 12/24/2024 - 12/31/2024

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	121,204	-13,186	-103,792	+12,823	-17,413	+362

## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/07/2025: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside target is now at 78.150. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 80.520 and 81.720, while 1st support hits today at 78.770 and below there at 78.150.

## 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	195.200	74.62	68.80	68.24	79.88	193.61	191.15	190.37	188.32	188.34
FCF25	266.300	72.63	69.60	80.14	86.05	265.16	261.71	259.33	253.78	251.61
LHG25	79.650	23.51	31.41	19.36	14.02	80.72	82.40	83.37	84.75	84.15

Calculations based on previous session. Data collected 01/06/2025

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	193.600	194.320	195.320	196.050	197.050
FCF25	Feeder Cattle	264.387	265.375	266.237	267.225	268.087
LHG25	Lean Hogs	78.120	78.750	79.920	80.520	81.720

Calculations based on previous session. Data collected 01/06/2025

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