

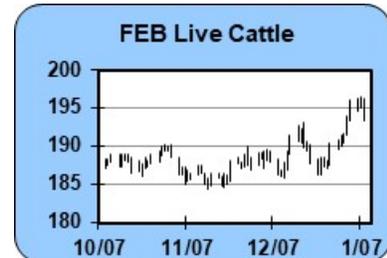
DAILY CATTLE COMMENTARY

1/9/2025

Rumors of Colorado beef plant closure spurs selling

Reminder - livestock markets will close early at 12:15 PM Chicago time today for former President Carter's funeral.

February live cattle sold off sharply yesterday and some sources are citing a rumor of the closure of a large Colorado meat plant as part of the reason for the selloff. However, technical selling was also a likely culprit as funds are heavily long and technical indicators were reaching overbought territory. Daily live cattle trading volume was the highest since August 1. Look for initial support at 193.25 and then 191.45. Light cash trade reported in the north yesterday at 195 - 200 and the 5 - area, 5 - day weighted average the week is now 198.94, up from 197.41 at the end of last week. The USDA estimated cattle slaughter came in at 122,000 head Wednesday. This brings the total for the week so far to 357,000 head, up from 225,000 last week at this time and up from 304,541 a year ago. The USDA boxed beef cutout was up \$1.59 at mid-session Wednesday and closed \$2.82 higher at \$328.61. This was up from \$324.22 the previous week and the highest since July 8, 2024.



TODAY'S MARKET IDEAS:

Yesterday's heavy selling on beef plant closure rumors is expected to be a correction in the uptrend. However, live cattle daily trading volume yesterday was a 5-month high and along with the significant managed money net short position, prices could break further. First support is 193.25 and a pullback to 50% retracement to the December 19 lows would be 191.45 on February. Yesterday's heavy volume has us leery of buying the pullback yet.

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) 01/09/2025: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next upside objective is 197.170. The next area of resistance is around 195.120 and 197.170, while 1st support hits today at 192.270 and below there at 191.450.

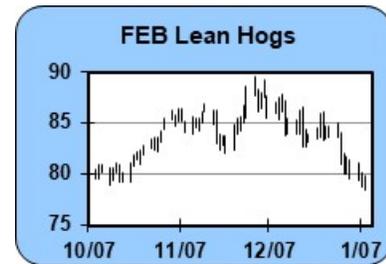
FEEDER CATTLE (JAN) 01/09/2025: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 271.081. The next area of resistance is around 267.987 and 271.081, while 1st support hits today at 263.163 and below there at 261.432.

DAILY HOGS COMMENTARY

1/9/2025

First positive close in 9 sessions February hogs

February hogs finally had a higher close for the 1st time in 9 sessions and even ended the day with a minor upside reversal on strong daily trading volume. Also, yesterday's low was right on the 50% retracement support from the August low to the late November high. If the market can build on today's gains and close higher again today, prices could see an upside correction of the \$11.00 decline since Thanksgiving. The average hog weight for lowa-Southern Minnesota as of December 28 was 292.3 pounds, up from 289.7 pounds the previous week and down from 293.1 a year ago. The 5-year average is 291.3 pounds. CME Lean Hog Index as of January 6 was 81.59, down -0.42 for the day and down -2.76 versus a week ago. This is the lowest since March 12. The USDA estimated hog slaughter came in at 490,000 head Wednesday. This brings the total for the week so far to 1.424 million head, up from 892,000 last week at this time and up from 1.320 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$88.41, up 68 cents from Tuesday but down from \$89.32 the previous week.



TODAY'S MARKET IDEAS:

After briefly dropping below the 200-day moving average yesterday morning, prices touched the 50% retracement to the August lows and closed higher for an upside reversal. Daily trading volume was the highest since mid-July, which gives additional credence to the reversal if prices can confirm it with a higher close today. If fund liquidation resumes, next major support is at the 618% retracement level at 75.82.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/09/2025: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 77.970. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 80.150 and 80.650, while 1st support hits today at 78.820 and below there at 77.970.

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	193.700	61.76	61.07	75.35	79.35	194.63	192.75	190.86	188.67	188.55
FCF25	265.575	63.26	63.88	83.48	84.17	266.28	264.10	260.30	254.87	252.26

LHG25 79.470 25.58 32.06 14.93 11.75 79.77 81.28 82.80 84.47 84.10

Calculations based on previous session. Data collected 01/08/2025

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	191.420	192.250	194.300	195.120	197.170
FCF25	Feeder Cattle	261.431	263.162	266.256	267.987	271.081
LHG25	Lean Hogs	77.950	78.800	79.300	80.150	80.650

Calculations based on previous session. Data collected 01/08/2025

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