

DAILY CATTLE COMMENTARY

1/10/2025

Beef plant closure rumors refuted, port strike averted

February live cattle opened higher yesterday and didn't look back closing very strong and at its highest level since late September 2023. On Wednesday, the rumor of the closure of a beef plant in Colorado supposedly was cited as the reason for the break but that rumor was refuted late Wednesday afternoon, giving traders a reason to start the market off stronger yesterday. In addition, the tentative agreement by US dockworkers to avoid a strike was another bullish driver for yesterday's big rally. Next resistance on February live cattle is the contract high at 199.57 and that level is expected to be tested. Cash

trade was reported in the north yesterday at 200 - 205, raising the 5 - area, 5 - day weighted average for the week to 200.03, up from 197.41 at the end of last week. The USDA estimated cattle slaughter came in at 122,000 head Thursday. This brings the total for the week so far to 479,000 head, up from 350,000 last week at this time and up from 423,371 a year ago. The USDA boxed beef cutout was up \$2.21 at mid-session Thursday and closed \$2.17 higher at \$330.78. This was up from \$323.48 the previous week and the highest since June 26, 2023.

U.S. beef export sales for the week ending January 2 came in at 5,600 tonnes compared with the average of the previous four weeks of 13,700 tonnes. Cumulative sales for the 5.6 have reached 129,000 tonnes, up 1.2% versus last year's pace.

TODAY'S MARKET IDEAS:

Yesterday's dual bullish news of the dockworkers agreement to avoid a strike and Cargill refuting the Colorado beef plant closure rumors combined to send the market sharply higher. No doubt record cash prices are also driving the rally and look for a test of the contract highs at 199.57 on February live cattle next.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

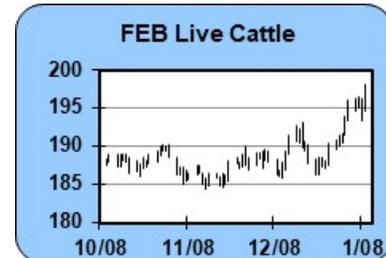
None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (FEB) 01/10/2025: 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's close above the 2nd swing resistance number is a bullish indication. The next upside target is 200.370. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 199.270 and 200.370, while 1st support hits today at 195.920 and below there at 193.620.

FEEDER CATTLE (JAN) 01/10/2025: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 271.712. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 270.650 and



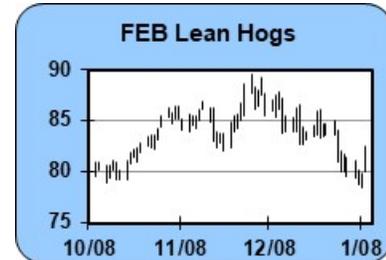
271.712, while 1st support hits today at 267.800 and below there at 266.013.

DAILY HOGS COMMENTARY

1/10/2025

Dockworker deal averts port strike next week

February hogs gapped higher on the opening yesterday after the reversal up on Wednesday, following 9 consecutive sessions of lower closes. The tentative deal by US dockworkers to avoid a strike appeared to be the bullish spark in addition to the technical reversal. The strong start sparked significant buying and turned short-term technical indicators back higher. The gap higher may be bullish enough to send the market up for a test of the head and shoulders neckline at 83.35 and possibly the 50% retracement to the contract highs in November, which stands at 84.02. Weekly export sales morning bounced back above the average of the past month, despite being a holiday week. CME Lean Hog Index as of January 7 was 81.05, down -0.54 for the day and down -3.22 versus a week ago. This is the lowest since March 6. The USDA estimated hog slaughter came in at 488,000 head Thursday. This brings the total for the week so far to 1.906 million head, up from 1.381 million last week at this time and up from 1.799 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$88.97, up 56 cents from Wednesday and up from \$88.64 the previous week.



U.S. pork export sales for the week ending January 2 came in at 31,000 tonnes compared with the average of the previous four weeks of 27,900 tonnes. Cumulative sales for the 2024 marketing year have reached 225,200 tonnes, down 0.9% versus last year's pace.

TODAY'S MARKET IDEAS:

After hitting moving average and retracement support early this week and reversing higher, February hogs rallied sharply yesterday on a bullish gap higher on the opening. Stochastics had reached oversold territory and have now crossed higher. The rally will face its 1st test at head and shoulders neckline resistance at 83.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/10/2025: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. The gap up on the day session chart gave a bullish indicator and more follow through could be seen this session. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 83.970. The next area of resistance is around 83.020 and 83.970, while 1st support hits today at 80.550 and below there at 79.050.

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	197.570	73.25	69.46	78.76	85.58	195.52	193.59	191.23	188.93	188.69
FCF25	269.225	70.60	68.96	85.10	88.36	267.38	265.20	260.91	255.47	252.63
LHG25	81.770	47.28	45.09	17.56	22.82	80.02	81.01	82.65	84.39	84.13

Calculations based on previous session. Data collected 01/09/2025

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	193.600	195.900	197.000	199.270	200.370
FCF25	Feeder Cattle	266.012	267.800	268.862	270.650	271.712
LHG25	Lean Hogs	79.020	80.520	81.500	83.020	83.970

Calculations based on previous session. Data collected 01/09/2025

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