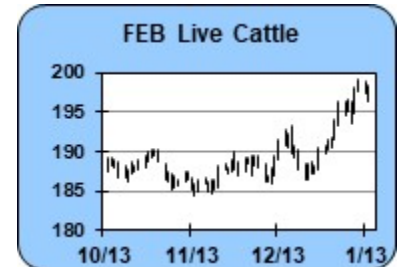


DAILY CATTLE COMMENTARY

1/15/2025

Strong cash ideas continue to support futures on breaks

February live cattle prices traded both sides of unchanged yesterday but ended steady. There is no sign of a technical top at this time and the market still has a high chance of reaching the contract highs in the fall of 2023 at 199.57 if cash prices are strong again this week. The market bounced off initial support yesterday. Light cash cattle trade was reported yesterday in the north at 205 at the top end of last week's cash range. The 5 - area, 5 - day weighted average the week is now 202.29, up from 202.22 to the end of last week. Showlist estimates for this week are up 1069 head in Texas to 84,370, down 5197 in Kansas to 87,242 and up 3562 in Nebraska/Colorado to 68,925. The USDA estimated cattle slaughter came in at 125,000 head Tuesday. This brings the total for the week so far to 242,000 head, up from 235,000 last week at this time and up from 216,356 a year ago. The USDA boxed beef cutout was down 70 cents at mid-session Tuesday and closed 37 cents lower at \$332.98. This was up from \$325.79 the previous week.



TODAY'S MARKET IDEAS:

Funds remain heavily long but without a technical top formation they are unlikely to aggressively exit long positions. Cash cattle ideas remain strong for this week, which should continue to support futures on breaks. The next upside target is the contract high from September of 2023 at 199.57 on February live cattle. Initial support held yesterday but if prices fall below yesterday's low, next support stands at 0.382% retracement back to the December 19 lows at 194.30.

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) 01/15/2025: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 199.270. The next area of resistance is around 198.320 and 199.270, while 1st support hits today at 196.450 and below there at 195.500.

FEEDER CATTLE (JAN) 01/15/2025: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 276.543. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 275.487 and 276.543, while 1st support hits today at 272.713 and below there at 270.994.

DAILY HOGS COMMENTARY

1/15/2025

November US pork exports were up 6% year-over-year

February hogs closed higher for the 5th straight session yesterday but remain just below important retracement resistance at 84.02. If 84.02 is breached, next resistance stands at 85.35. The so-called "Goldman roll" this week has pressured the February contract compared to other months as long fund positions are rolled out to the deferred months. Several importing countries are continuing their ban on German meat imports due to the foot and mouth disease, but Germany says they have quarantined the affected area and have not found any further infections. Even so, some countries may be slow to reopen German imports and that remains a positive for a potential increase in US exports. CME Lean Hog Index as of January 10 was 80.76, up 0.33 for the day and down -1.25 versus a week ago. The USDA estimated hog slaughter came in at 477,000 head Tuesday. This brings the total for the week so far to 963,000 head, up from 934,000 last week at this time and up from 819,879 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$89.04, up 4 cents from Monday and up from \$87.73 the previous week.



TODAY'S MARKET IDEAS:

Germany's foot and mouth problem continues to be at least a minor supportive factor for the market and February hog prices may test retracement resistance today at 84.02. Technical indicators are still pointing higher and a run higher to 85.35 may be possible if retracement resistance is breached. Last week's gap at 79.80 - 80.00 should offer good support on a break.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/15/2025: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 84.470. The next area of resistance is around 84.100 and 84.470, while 1st support hits today at 83.150 and below there at 82.550.

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	197.400	67.51	66.02	85.62	87.70	197.79	195.92	192.45	189.67	189.23
FCF25	274.100	76.57	73.60	90.32	93.24	271.88	268.79	263.55	257.42	254.09
LHG25	83.620	59.19	53.35	37.76	54.09	82.78	81.26	82.48	84.26	84.25

Calculations based on previous session. Data collected 01/14/2025

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	195.470	196.420	197.370	198.320	199.270
FCF25	Feeder Cattle	270.993	272.712	273.768	275.487	276.543
LHG25	Lean Hogs	82.520	83.120	83.500	84.100	84.470

Calculations based on previous session. Data collected 01/14/2025

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