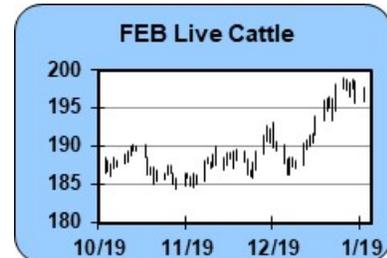


DAILY CATTLE COMMENTARY
1/21/2025

China's December beef imports up 13% yoy, up 5% in 2024

Cold temperatures in the Plains are a supportive factor for this morning's live cattle opening as well as the strong finish to cash trade last week. In addition, Trump's decision to delay the implementation of tariffs has pushed the US dollar lower, providing additional bullish support. We are moving our coverage to the April contract today. Look for pullback support on April live cattle at 196.40. CFTC data showed Managed Money traders added nearly 4000 contracts to hit a 6-year high in live cattle net long positioning and record high in feeder longs. Cash trade Friday in the north hit a new all-time high trading between 203 - 206 and prices in the South finished the week at 200 - 201. The 5 - area, 5 - day weighted average the week rose to 203.35, up from 202.22 the previous week. The USDA estimated cattle slaughter came in at 114,000 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 estimated average dressed cattle weight for the week ending January 18 is 876 pounds, up from 872 the previous week and up from 842 a year ago. The 5-year average weight for that week is 836 pounds. Estimated beef production last week was 527.0 million pounds, up from 508.4 million a year ago. The USDA boxed beef cutout was up 41 cents at mid-session Friday and closed 28 cents higher at \$333.69. This was up from \$332.84 the previous week.



Cattle positioning in the Commitments of Traders for the week ending January 14th showed Managed Money traders are net long 147,421 contracts after net buying 3,965 contracts. CIT traders are net long 96,372 contracts after net buying 455 contracts. Non-Commercial No CIT traders are net long 114,074 contracts after net buying 4,950 contracts. Non-Commercial & Non-Reportable traders net bought 4,130 contracts and are now net long 129,494 contracts.

TODAY'S MARKET IDEAS:

Some minor long liquidation weakened prices on Friday but cold temperatures in the Plains, Trump's decision to delay tariffs and sharp drop in the US dollar should be supportive today. Cash trade ended the week very strong and until cash prices begin to sink, live cattle futures are unlikely to break significantly. Look for support on April live cattle starting at 196.40 and 195.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/7/2025 - 1/14/2025						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Livestock						
Feeder Cattle	27,401	+2,020	-11,396	-1,651	-16,005	-369
Cattle	169,116	+6,048	-129,493	-4,130	-39,622	-1,918

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 (APR) 01/20/2025: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 195.820. The next area of resistance is around 198.370 and 199.370, while 1st support hits today at 196.620 and below there at 195.820.

FEEDER CATTLE (MAR) 01/20/2025: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 264.763. The next area of resistance is around 269.575 and 270.862, while 1st support hits today at 266.525 and below there at 264.763.

DAILY HOGS COMMENTARY

1/21/2025

China's pork imports in 2024 fell 30.8%

We are moving our coverage to the April contract today. April prices fell sharply on Friday due to long liquidation before the holiday weekend. CFTC data showed funds added 6500 contracts to their significant net long position as of Tuesday of last week. Trump's decision to delay the implementation of tariffs is a positive for today's opening, as is the sharp decline in the US dollar overnight. However, the technical outlook weakened with the sharply lower close on Friday and prices must turn higher to start the week to avoid further fund liquidation. CME Lean Hog Index as of January 15 was 81.19, up 0.09 for the day and up 0.60 versus a week ago. This is the highest since January 8. The USDA estimated hog slaughter came in at 485,000 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. Estimated US pork production for the week ending January 18 is 571.7 million pounds, up from 548.7 the previous week and up from 569.8 a year ago. The USDA pork cutout, released after the close Friday, came in at \$89.20, down 25 cents from Thursday and down from \$90.00 the previous week.



The Commitments of Traders report for the week ending January 14th showed Hogs Managed Money traders net bought 6,408 contracts and are now net long 103,598 contracts. CIT traders net sold 1,191 contracts and are now net long 105,739 contracts. Non-Commercial No CIT traders are net long 69,027 contracts after net buying 9,517 contracts. Non-Commercial & Non-Reportable traders added 5,647 contracts to their already long position and are now net long 102,611.

TODAY'S MARKET IDEAS:

Friday's drop in April hogs nearly touched the 50% retracement support level to the January 8 lows, which stands at 87.95. A higher opening is expected due to the lower US dollar and tariff delays but if prices fall below the 50% support, look for a run down to 87.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/7/2025 - 1/14/2025

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	118,427	+7,939	-102,611	-5,647	-15,816	-2,292

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/20/2025: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies are trending higher but have entered overbought levels. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The near-term upside target is at 91.250. The next area of resistance is around 89.550 and 91.250, while 1st support hits today at 87.120 and below there at 86.370.

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										
LCJ25	197.500	57.08	59.39	85.52	81.09	198.16	197.99	195.76	192.25	191.24
FCH25	268.050	60.75	62.48	83.58	80.70	268.44	268.03	264.63	258.30	254.13
LHJ25	88.320	48.09	48.92	67.36	72.38	90.10	88.50	88.11	89.04	88.84

Calculations based on previous session. Data collected 01/17/2025

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						
LCJ25	Live Cattle	195.800	196.570	197.570	198.370	199.370
FCH25	Feeder Cattle	264.762	266.525	267.812	269.575	270.862
LHJ25	Lean Hogs	86.350	87.100	88.800	89.550	91.250

Calculations based on previous session. Data collected 01/17/2025

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