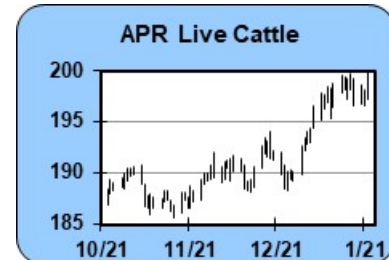


DAILY CATTLE COMMENTARY

1/23/2025

New all-time highs in Feb Live Cattle

Live cattle and feeder prices skyrocketed Wednesday, hitting new contract highs and even new all-time highs in February live cattle. April live cattle settled at a new contract high and next resistance stands at 201.75. Cash cattle trade was strong again and traded at 201 - 202 in the South, and 205 - 206 in the north. There was even some trade on the online cattle exchange at 202.50. The strong cash sparked significant buying as the futures discount to cash increased. Cattle on Feed estimates for tomorrow afternoon are 99.7% on feed, placements 101.2% of last year and marketings at 101.4. Brazil is in talks to ship beef to Japan, traditionally a large US beef buyer. Japan may be advancing these talks with Brazil to increase leverage in tariff negotiations with Trump. The USDA estimated cattle slaughter came in at 124,000 head Wednesday. This brings the total for the week so far to 363,000 head, down from 366,000 last week at this time but up from 361,567 a year ago. The USDA boxed beef cutout was down 19 cents at mid-session Wednesday and closed 3 cents lower at \$332.02. This was down from \$334.14 the previous week.



TODAY'S MARKET IDEAS:

Extremely strong market action yesterday and with cash prices continuing to stay very strong, further upside gains are anticipated. However, Friday afternoon's cattle on feed report could create some profit-taking tomorrow before the weekend. Next upside resistance is to 201.75 on April live cattle. Support has now moved up to 198.20.

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 (APR) 01/23/2025: 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. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next downside objective is 196.550. The next area of resistance is around 201.070 and 201.770, while 1st support hits today at 198.470 and below there at 196.550.

FEEDER CATTLE (MAR) 01/23/2025: A bullish signal was given with an upside crossover of the daily stochastics. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 277.831. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 276.112 and 277.831, while 1st support hits today at 270.038 and below there at 265.682.

DAILY HOGS COMMENTARY

1/23/2025

April hogs end Wednesday with reversal higher

April hogs finished with a reversal higher yesterday after a lower start, ending the 4-day pullback. Daily trading volume was on par with recent averages and open interest fell nearly 2000 contracts. If prices can close higher today and build on yesterday's upside reversal, a resumption of the rally is possible to retracement resistance at 88.67. It will take a close below this month's low at 84.50 to trigger funds to liquidate longs aggressively. CME Lean Hog Index as of January 20 was 81.46, up 0.06 for the day and up 0.47 versus a week ago. The wintry weather has slowed slaughter and USDA estimated hog slaughter came in at 444,000 head Wednesday. This brings the total for the week so far to 1.348 million head, down from 1.447 million last week at this time and down from 1.452 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$88.42, down 65 cents from Tuesday and down from \$89.78 the previous week. The average hog weight for Iowa-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.



TODAY'S MARKET IDEAS:

While prices dipped below 100-day moving average support early yesterday, the market ended with an upside reversal and may build on that strength today. Next upside resistance is 88.67 on April hogs and so far managed money traders have not liquidated longs aggressively. Stochastics are still pointing lower but a higher close today would boost the odds of a rally in the near-term.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/23/2025: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 85.620. The next area of resistance is around 87.950 and 88.350, while 1st support hits today at 86.600 and below there at 85.620.

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	199.770	66.39	65.20	82.28	81.93	198.07	198.41	196.75	192.75	191.53
FCH25	273.075	71.09	69.04	81.35	81.96	269.03	268.86	266.26	259.56	255.03

LHJ25 87.270 43.62 45.48 60.44 52.44 88.21 88.86 87.84 88.94 88.86

Calculations based on previous session. Data collected 01/22/2025

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	196.520	198.450	199.150	201.070	201.770
FCH25	Feeder Cattle	265.681	270.037	271.756	276.112	277.831
LHJ25	Lean Hogs	85.600	86.570	86.970	87.950	88.350

Calculations based on previous session. Data collected 01/22/2025

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