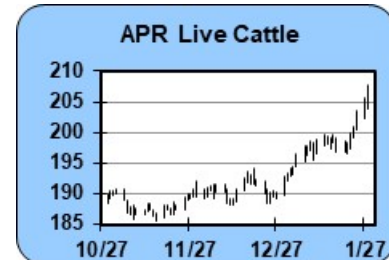


DAILY CATTLE COMMENTARY

1/29/2025

April LC gains \$10.00 in 5-day buying spree

Another strong surge higher in the cattle markets yesterday for the 5th straight session as prices continue to march into new all-time highs. April live cattle have rallied \$10 since Wednesday of last week. Forecasting resistance when prices are in new all-time highs is a difficult task, especially when the market appears to be in a blow-off type of trade. We see no reason to fight the bull at this time. Until cash prices begin to weaken, a market top will be elusive. There was no cash cattle trade reported yesterday but USDA did revise Monday's cash trade to include a couple hundred head in Kansas at 203. The 5 - area, 5 - day weighted average the week now stands at 209.03, up from 208.88 last week. The annual cattle inventory report will be released Friday afternoon. The USDA estimated cattle slaughter came in at 124,000 head Tuesday. This brings the total for the week so far to 238,000 head, down from 239,000 last week at this time and down from 249,897 a year ago. The USDA boxed beef cutout was up \$2.46 at mid-session Tuesday and closed \$2.37 higher at \$332.45. This was up from \$332.05 the previous week.



TODAY'S MARKET IDEAS:

Live cattle prices started rallying in the middle of last week on strong cash trade and the bullish cattle on feed on Friday further emboldened the bull camp. Shorts are getting chased out and the high on this blow off top is anyone's guess. Packers are likely to have to bid up again this week. Our only recommendation here is, don't fight the bull. However, tariff implementation this weekend could result in profit taking before the end of the week.

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) 01/29/2025: 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. 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 upside objective is 210.320. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 209.150 and 210.320, while 1st support hits today at 205.400 and below there at 202.800.

FEEDER CATTLE (MAR) 01/29/2025: The daily stochastics gave a bullish indicator with a crossover up. 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 280.793. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 279.887 and 280.793, while 1st support hits today at 276.613 and below there at 274.244.

DAILY HOGS COMMENTARY
1/29/2025

Tariff threat looms this weekend

April hogs closed higher yesterday but stopped short of the mid-January high at 91.37. Tariffs may be coming this weekend which could put a damper on pork exports, unless Trump can negotiate a compromise. Easter pork demand is just around the corner and with skyrocketing beef prices, retailers are likely to feature cheaper pork on store shelves. Cash hogs jumped \$4 yesterday and this week's technical strength suggest the market is likely to move above the mid-January high and potentially test the contract high at 93.60. CME Lean Hog Index as of January 24 was 81.94, up 0.02 for the day and up 0.54 versus a week ago. This is the highest since January 7. The USDA estimated hog slaughter came in at 489,000 head Tuesday. This brings the total for the week so far to 972,000 head, up from 904,000 last week at this time but down from 982,160 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$91.50, down 29 cents from Monday but up from \$89.07 the previous week.



TODAY'S MARKET IDEAS:

Hog prices have been strong this week and that is likely to continue as beef prices soar. Potential weekend tariffs are a wildcard, but the market certainly doesn't act like it's too concerned. Next resistance on April is the mid-January high at 91.37 and a close above that level would turn the technical outlook bullish.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/29/2025: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 92.000. The next area of resistance is around 91.550 and 92.000, while 1st support hits today at 90.270 and below there at 89.420.

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	207.270	83.44	78.30	87.54	90.84	203.71	200.72	199.07	194.09	192.49
FCH25	278.250	75.55	72.76	85.60	87.46	276.04	272.23	269.59	261.94	257.24
LHJ25	90.900	64.32	59.60	60.84	70.67	89.04	88.89	88.05	89.08	88.96

Calculations based on previous session. Data collected 01/28/2025

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	202.770	205.370	206.550	209.150	210.320
FCH25	Feeder Cattle	274.243	276.612	277.518	279.887	280.793
LHJ25	Lean Hogs	89.400	90.250	90.700	91.550	92.000

Calculations based on previous session. Data collected 01/28/2025

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