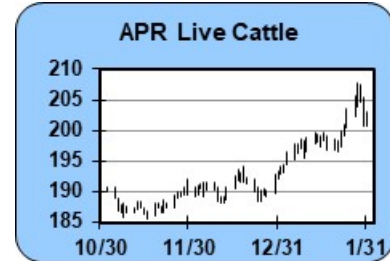


DAILY CATTLE COMMENTARY
2/3/2025

US cattle inventory confirmed to be lowest since 1951

The cattle market sold off to finish last week but the bullish fundamentals of tightening supplies remain in place. Friday's cattle inventory report confirmed the lowest cattle herd since 1951. Cash cattle continued to be a bullish force as well. CFTC data showed a new record high in fund net longs as of Tuesday of last week. However, despite last week's selloff, the market is likely to find support on the opening this morning from the inventory report and strong cash. Cash trade Friday in the north was 201 - 210 and in the South at 209. The 5 - area, 5 - day weighted average for the week ended at 209.12, up from 208.88 at the end of last week. The estimated average dressed cattle weight for the week ending February 1 is 879 pounds, unchanged from 879 the previous week and up from 831 a year ago. The 5-year average weight for that week is 835 pounds. Estimated beef production last week was 526.4 million pounds, up from 524.6 million a year ago. The USDA estimated cattle slaughter came in at 114,000 head Friday and 2,000 head for Saturday. This brought the total for last week to 599,000 head, down from 603,000 the previous week and down from 614,786 a year ago. The USDA boxed beef cutout was up 8 cents at mid-session Friday and closed 20 cents higher at \$327.68. This was down from \$327.92 the previous week.



The Commitments of Traders report for the week ending January 28th showed Cattle Cattle Managed Money traders hit a new extreme long of 156,909 contracts. Managed Money traders were net long 156,909 contracts after increasing their already long position by 8,443 contracts. CIT traders added 5,732 contracts to their already long position and are now net long 100,946. Non-Commercial No CIT traders were net long 119,961 contracts after increasing their already long position by 8,618 contracts. Non-Commercial & Non-Reportable traders net bought 11,462 contracts and are now net long 135,336 contracts.

The Jan 1 US Cattle Inventory pegged All cattle and calves in the United States at 86.7 million head, 1 percent below the 87.2 million head on January 1, 2024. All cows and heifers that have calved, at 37.2 million head, were slightly below the 37.4 million head a year ago. All heifers 500 pounds and over totaled 18.2 million head, 1 percent below the 18.3 million head a year ago. Calves under 500 pounds as of January 1, 2025 totaled 13.5 million head, down slightly from last year. The 2024 calf crop in the United States was estimated at 33.5 million head, down slightly from the previous year's calf crop.

TODAY'S MARKET IDEAS:

April live cattle closed higher on Friday and the bullish inventory report is likely to push prices higher this morning. Although April is holding retracement support, if the market falls below 200.50, the previous high in early January at 199.70 would be the next downside support level.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/21/2025 - 1/28/2025						
Livestock	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Feeder Cattle	28,587	+470	-11,027	+51	-17,561	-523

Cattle	174,774	+9,752	-135,336	-11,462	-39,438	+1,710
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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) 02/03/2025: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 199.720. The next area of resistance is around 203.450 and 204.400, while 1st support hits today at 201.150 and below there at 199.720.

FEEDER CATTLE (MAR) 02/03/2025: 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 270.625. The next area of resistance is around 278.050 and 279.925, while 1st support hits today at 273.400 and below there at 270.625.

DAILY HOGS COMMENTARY

2/3/2025

Cash and cutout end higher last week.

Hogs ended lower Friday and the CFTC data showed little change in the managed money long position from the prior week. Cash prices were stronger Friday as well as cutout prices. The US dollar is higher this morning and if hog prices continue to remain weak the next several sessions, there is the possibility of a double top on the daily chart. Estimated US pork production for the week ending February 1 is 562.9 million pounds, up from 540.8 the previous week and down from 585.6 a year ago. CME Lean Hog Index as of January 29 was 83.06, up 0.47 for the day and up 1.13 versus a week ago. The USDA estimated hog slaughter came in at 485,000 head Friday and 186,000 head for Saturday. This brought the total for last week to 2.477 million head, down from 2.627 million the previous week and down from 2.688 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$92.81, up 44 cents from Thursday and up from \$89.59 the previous week.



The Commitments of Traders report for the week ending January 28th showed Hogs Managed Money traders are net long 91,937 contracts after net selling 213 contracts. CIT traders net sold 1,801 contracts and are now net long 103,006 contracts. Non-Commercial No CIT traders net bought 2,459 contracts and are now net long 63,227 contracts. Non-Commercial & Non-Reportable traders added 1,596 contracts to their already long position and are now net long 97,118.

TODAY'S MARKET IDEAS:

April hogs have support at 89.20 but short-term technical indicators point to further downside extension from Friday's weaker close. The possibility of a double top on the daily chart is there if the market extends below support and triggers managed Money long liquidation.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/21/2025 - 1/28/2025						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	109,961	+895	-97,117	-1,595	-12,843	+701

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/03/2025: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 92.900. The next area of resistance is around 91.470 and 92.900, while 1st support hits today at 89.220 and below there at 88.370.

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	202.300	56.88	59.50	75.53	63.89	204.01	202.30	200.14	194.97	193.27
FCH25	275.725	62.39	63.68	77.11	71.48	275.61	274.30	271.16	263.37	258.97
LHJ25	90.350	56.23	55.24	71.35	74.16	91.13	89.31	88.90	89.19	89.10

Calculations based on previous session. Data collected 01/31/2025

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	199.700	201.120	202.050	203.450	204.400
FCH25	Feeder Cattle	270.625	273.400	275.275	278.050	279.925
LHJ25	Lean Hogs	88.350	89.200	90.620	91.470	92.900

Calculations based on previous session. Data collected 01/31/2025

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