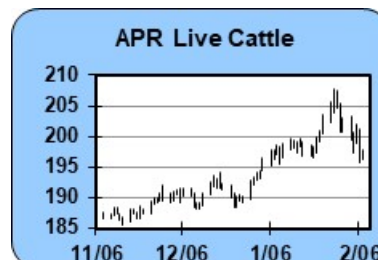


DAILY CATTLE COMMENTARY

2/10/2025

Managed Money long liquidation not as large as expected

While live cattle and feeders closed near unchanged on Friday, for the week they were significantly lower on tariff worries and the resumption of Mexican cattle imports into the US. However, the managed money net long position did not decrease significantly last week, and funds are still holding over 150,000 contracts long in live cattle. Feeder cattle longs only declined by 704 contracts. This suggests there could be further liquidation possible across the cattle complex. Overhead selling is likely on rallies and look for initial retracement resistance just above 200.00 on April live cattle. Cash cattle trade was very light Friday with the only reported action in the north at 203 - 204 but the bulk of trade for the week was only down \$2-\$3. The 5 - area, 5 - day weighted average the week ended at 206.90, down from 209.33 at the end of last week. The estimated average dressed cattle weight for the week ending February 8 is 876 pounds, down from 879 the previous week and up from 829 a year ago. The 5-year average weight for that week is 835 pounds. Estimated beef production last week was 510.6 million pounds, up from 510.3 million a year ago. The USDA estimated cattle slaughter came in at 100,000 head Friday and 8,000 head for Saturday. This brought the total for last week to 584,000 head, down from 600,000 the previous week and down from 617,013 a year ago. The USDA boxed beef cutout was down \$1.72 at mid-session Friday and closed \$2.11 lower at \$321.87. This was down from \$327.68 the previous week.



Cattle positioning in the Commitments of Traders for the week ending February 4th showed Managed Money traders are net long 150,374 contracts after net selling 6,535 contracts. CIT traders are net long 97,339 contracts after net selling 3,607 contracts. Non-Commercial No CIT traders reduced their net long position by 4,945 contracts to a net long 115,016 contracts. Non-Commercial & Non-Reportable traders are net long 131,566 contracts after net selling 3,770 contracts.

TODAY'S MARKET IDEAS:

Cash cattle prices did not decline last week as much as was expected with the futures weakness. However, the fact funds held the majority of their record long position despite the sharp market weakness, suggests further selloff potential. Initial 0.382% retracement support to the August lows stands at 195.45 on April live cattle and a selloff could extend to the 50% support at 191.65. Initial retracement resistance is 200.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/28/2025 - 2/4/2025						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	26,680	-1,907	-10,710	+317	-15,971	+1,590
Cattle	169,246	-5,528	-131,566	+3,770	-37,680	+1,758

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) 02/10/2025: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 195.500. The next area of resistance is around 197.450 and 198.270, while 1st support hits today at 196.070 and below there at 195.500.

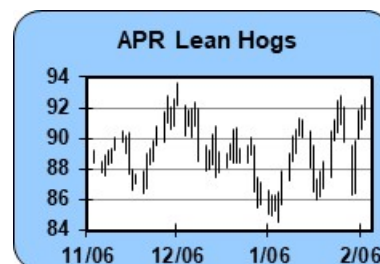
FEEDER CATTLE (MAR) 02/10/2025: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 263.400. The next area of resistance is around 265.749 and 266.799, while 1st support hits today at 264.050 and below there at 263.400.

DAILY HOGS COMMENTARY

2/10/2025

Strong technicals point to more upside

April hogs tested the January highs Friday but fell just short of a new high for the month. The technical outlook is strong after April left a 2-day island pattern on the chart last week after a gap down on February 3 and then a gap up on February 5. Look for prices to test the contract highs from early December at 93.60 early this week. Estimated US pork production for the week ending February 8 is 553.1 million pounds, down from 561.8 the previous week and down from 567.5 a year ago. CME Lean Hog Index as of February 5 was 85.05, up 0.45 for the day and up 1.99 versus a week ago. The USDA estimated hog slaughter came in at 489,000 head Friday and 102,000 head for Saturday. This brought the total for last week to 2.536 million head, down from 2.569 million the previous week and down from 2.624 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$95.66, up \$1.99 from Thursday and up from \$92.81 the previous week.



The Commitments of Traders report for the week ending February 4th showed Hogs Managed Money traders were net long 95,329 contracts after increasing their already long position by 3,392 contracts. CIT traders are net long 99,871 contracts after net selling 3,135 contracts. Non-Commercial No CIT traders are net long 69,653 contracts after net buying 6,426 contracts. Non-Commercial & Non-Reportable traders are net long 99,875 contracts after net buying 2,757 contracts.

TODAY'S MARKET IDEAS:

Managed money traders added to their net long positions by over 3000 contracts last week as April hogs closed higher for the last 4 sessions. The 2-day island pattern from last week is bullish and suggests at minimum a test of the contract highs at 93.60 on April and likely higher. Short-term technical indicators are approaching overbought territory, but the bull camp remains in charge.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/28/2025 - 2/4/2025

Non-Commercial		Commercial		Non-Reportable	
Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change

Livestock						
Hogs	113,356	+3,395	-99,875	-2,758	-13,481	-638

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/10/2025: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 93.570. The next area of resistance is around 92.900 and 93.570, while 1st support hits today at 91.400 and below there at 90.550.

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										
LCJ25	196.770	40.51	45.78	37.72	22.22	198.38	201.08	200.39	195.90	194.22
FCH25	264.900	38.06	44.49	38.55	21.32	267.29	271.35	271.23	264.58	261.23
LHJ25	92.150	60.64	58.41	68.50	77.07	91.30	90.67	89.76	89.03	89.20

Calculations based on previous session. Data collected 02/07/2025

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	195.470	196.050	196.870	197.450	198.270
FCH25	Feeder Cattle	263.400	264.049	265.099	265.749	266.799
LHJ25	Lean Hogs	90.520	91.370	92.050	92.900	93.570

Calculations based on previous session. Data collected 02/07/2025

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