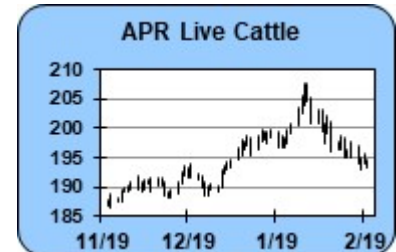


DAILY CATTLE COMMENTARY

2/21/2025

Cash cattle trade \$3-\$4 lower than last week

April live cattle dropped yesterday for a test of the lows earlier this week, partly due to weakness in the stock market. Lower cash trade yesterday was also a negative factor as trade developed in the north at 198-200 and in the south at 199, down \$3-\$4 from last week. The 5 - area, 5 - day weighted average the week now stands at 202.26, down from 202.94 at the end of last week. Live cattle and feeder cattle open interest was little changed and this afternoon's CFTC data will indicate whether funds liquidated much of their long position on this recent break. This afternoon's Cattle on Feed report is expected to show on feed at 99% of last year, placements 104% and marketings 102% and will set the tone for trade early next week. Retracement support on April live remains at 191.65. The USDA estimated cattle slaughter came in at 117,000 head Thursday. This brings the total for the week so far to 447,000 head, down from 454,000 last week at this time and down from 470,012 a year ago. The USDA boxed beef cutout was down \$1.80 at mid-session Thursday and closed \$1.26 lower at \$312.63. This was down from \$317.40 the previous week.



U.S. beef export sales for the week ending February 13 came in at 21,500 tonnes compared with the average of the previous four weeks of 15,900 tonnes.

TODAY'S MARKET IDEAS:

Disappointing action in live cattle yesterday as prices fell after the rally Wednesday. Nearby support on April live cattle is the 100-day moving average at 192.55 but larger 50% retracement support back to the August lows stands at 191.65. Technical indicators are still in extreme oversold territory. The head and shoulders pattern on the daily chart on April live cattle suggests an eventual break to the 187-188 area. Weekly export sales came in above guesses, and may be a supportive factor for this morning's opening.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (APR) 02/21/2025: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 192.270. The next area of resistance is around 194.570 and 195.400, while 1st support hits today at 193.020 and below there at 192.270.

FEEDER CATTLE (MAR) 02/21/2025: The major trend has turned down with the cross over back below the 40-day moving average. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The near-

term upside objective is at 270.618. The next area of resistance is around 268.637 and 270.618, while 1st support hits today at 265.013 and below there at 263.369.

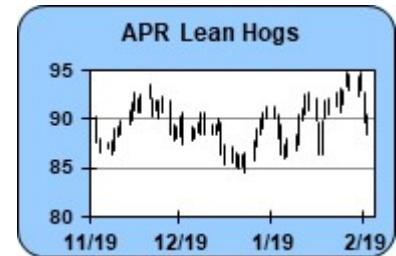
DAILY HOGS COMMENTARY

2/21/2025

Open interest plummets on fund selling

April hogs extended the selloff yesterday and has fallen a little more than \$6.00 over the last 3 sessions following the gap lower Wednesday morning. While the cash Hog Index was higher again yesterday, cutout was lower. US pork exports to the Oceania region, including Australia, New Zealand and the Pacific islands, were up 29% year-over-year in 2024 and the largest export volume since 2019. However, weekly export sales this morning came in a bit under the average of the last month. Open interest in hogs dropped nearly 15,000 contracts

yesterday and is down more than 20,000 contracts in the last 2 days, indicating heavy fund liquidation, which may not be over. But expect at least a minor short covering bounce today before the weekend. CME Lean Hog Index as of February 18 was 90.98, up 0.79 for the day and up 3.90 versus a week ago. This is the highest since August 12. The USDA estimated hog slaughter came in at 473,000 head Thursday. This brings the total for the week so far to 1.930 million head, down from 1.959 million last week at this time and down from 1.956 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$92.65, down \$1.59 from Wednesday and down from \$99.52 the previous week.



U.S. pork export sales for the week ending February 13 came in at 25,600 tonnes compared with the average of the previous four weeks of 35,100 tonnes. Cumulative sales for the 2025 marketing year have reached 421,500 tonnes, down 1.4% versus last year's pace.

TODAY'S MARKET IDEAS:

April hogs yesterday dropped to test the 100-day moving average for the 4th time this year. The 3 other instances penetrated the 100-day day briefly but quickly turned higher. This time, the extent of a rebound will be determined by how much fund liquidation has yet to occur and traders will be watching the commitment of trader's data later this afternoon for clues. Trendline support across recent lows comes in at 87.85 today and is the next close-in target on the downside.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/21/2025: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. 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 87.000. The next area of resistance is around 89.500 and 90.920, while 1st support hits today at 87.550 and below there at 87.000.

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	193.800	35.98	40.99	11.20	9.35	194.21	195.56	198.71	196.75	195.17
FCH25	266.825	45.93	48.26	27.16	29.59	267.98	266.96	269.73	266.49	263.95
LHJ25	88.520	38.51	43.84	69.24	53.47	91.02	92.03	91.22	89.37	89.68

Calculations based on previous session. Data collected 02/20/2025

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	192.250	193.020	193.820	194.570	195.400
FCH25	Feeder Cattle	263.368	265.012	266.993	268.637	270.618
LHJ25	Lean Hogs	86.970	87.520	88.950	89.500	90.920

Calculations based on previous session. Data collected 02/20/2025

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