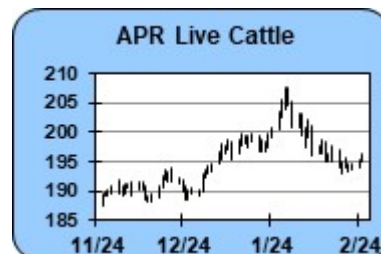


### DAILY CATTLE COMMENTARY

2/26/2025

#### Live cattle correcting oversold conditions

The feeder market once again led the way to the upside yesterday on a continued reaction to the new screwworm detection in Mexico. The US/Mexican border remains open but additional infections good change USDA's protocol and the border could close again. Live cattle and feeder open interest was little changed yesterday. Compared to the feeder cattle rally this week, live cattle's performance has been underwhelming and daily trading volume yesterday was at the low-end of the last 45 days. Buying enthusiasm seems to be lacking and that may be a sign this upside correction will fall short of initial targets. No cash cattle trade reported so far this week and the 5 - area, 5 - day weighted average man's unchanged from the end of last week at 199.53. The USDA estimated cattle slaughter came in at 122,000 head Tuesday. This brings the total for the week so far to 217,000 head, up from 213,000 last week at this time but down from 245,479 a year ago. The USDA boxed beef cutout was up \$1.99 at mid-session Tuesday and closed 59 cents higher at \$314.32. This was down from \$315.77 the previous week.



#### TODAY'S MARKET IDEAS:

Significantly oversold conditions earlier this week has prompted an upside correction in April live cattle. The market may move up to 1st upside retracement resistance to the contract highs in late January at 198.65. Speculators may consider the short side on any rally above 198.00 on the premise that prices will likely eventually fully correct the rally from last August to late January of this year.

#### 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) 02/26/2025:** The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 197.000. The next area of resistance is around 196.350 and 197.000, while 1st support hits today at 195.070 and below there at 194.400.

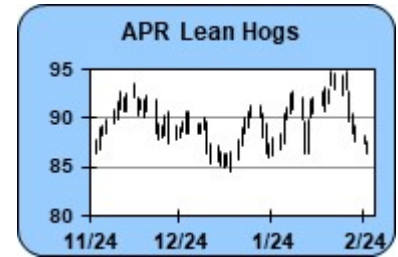
**FEEDER CATTLE (MAR) 02/26/2025:** Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 277.068. The next area of resistance is around 275.712 and 277.068, while 1st support hits today at 272.738 and below there at 271.119.

# DAILY HOGS COMMENTARY

2/26/2025

## Open interest continues to decline on fund liquidation

Lower closes for the last 5 consecutive sessions has pulled April hogs down for a test of the 30-day low at 86.00. Tariff worries and continued fund liquidation are the main bearish factors. Open interest dropped nearly 5000 contracts yesterday. Last week's commitment of trader's data did not show significant fund long liquidation, but this Friday's data will. The bull camp has to hope that a weaker economic outlook due to the federal job cuts could result in consumers favoring cheaper pork over beef. But for now, the aggressive fund liquidation may not be over. CME Lean Hog Index as of February 21 was 89.68, down -0.85 for the day and up 0.19 versus a week ago. The USDA estimated hog slaughter came in at 489,000 head Tuesday. This brings the total for the week so far to 979,000 head, up from 968,000 last week at this time but down from 979,753 a year ago.



CME Lean Hog Index as of February 21 was 89.68, down -0.85 for the day and up 0.19 versus a week ago. The USDA estimated hog slaughter came in at 489,000 head Tuesday. This brings the total for the week so far to 979,000 head, up from 968,000 last week at this time but down from 979,753 a year ago.

### TODAY'S MARKET IDEAS:

April hogs are at a critical juncture where further weakness could turn the technical outlook significantly bearish and unless prices quickly turn higher, Managed Money traders may be ready to completely throw in the towel on their long positions. Look for a test of next significant downside support at 84.25.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/26/2025: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 85.520. The next area of resistance is around 87.200 and 88.050, while 1st support hits today at 85.950 and below there at 85.520.

### 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
<b>MEAT COMPLEX</b>										
LCJ25	195.700	46.88	47.10	13.68	18.19	194.64	194.88	196.97	197.00	195.43
FCH25	274.225	63.04	59.37	43.47	60.90	270.33	268.82	268.94	267.43	264.79
LHJ25	86.570	31.96	38.86	40.62	21.47	87.54	90.35	90.64	89.29	89.52

Calculations based on previous session. Data collected 02/25/2025

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCJ25	Live Cattle	194.370	195.050	195.670	196.350	197.000
FCH25	Feeder Cattle	271.118	272.737	274.093	275.712	277.068
LHJ25	Lean Hogs	85.500	85.920	86.770	87.200	88.050

Calculations based on previous session. Data collected 02/25/2025

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