



DAILY LIVESTOCK COMMENTARY

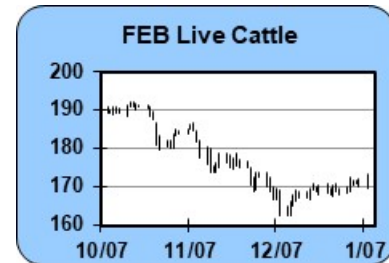
Tuesday January 09, 2024

DAILY CATTLE COMMENTARY

1/9/2024

Reversal lower points to further pullback

A winter storm across the Plains has affected some packing plants as 2 plants canceled shifts yesterday due to the weather. This may lower slaughter numbers this week and cause the packer to be a bit less aggressive in bidding for cattle. February futures early rally yesterday failed at the 50-day moving average resistance and reversed lower. A further pullback looks likely with retracement support at 167.82 and 166.55. There was no cash cattle trade reported yesterday and the 5-area, 5-day weighted-average remains at 174.01. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was down from 127,000 a year ago. The USDA boxed beef cutout was up \$1.18 at mid-session yesterday and closed \$1.67 higher at \$278.83. This was down from \$289.71 the previous week. The previous low was \$277.16 on January 5. The previous high was \$284.34 on January 2.



TODAY'S MARKET IDEAS:

The reversal lower on February futures yesterday looks like a classic buy the rumor/sell the fact weather play as the winter storm moved through the Plains. Now that the storm has mostly passed by, a further correction lower is likely. Retracement support sits at 167.82 and 166.55 on February futures.

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 (FEB) 01/09/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is somewhat negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 167.150. The next area of resistance is around 171.720 and 174.270, while 1st support hits today at 168.170 and below there at 167.150.

FEEDER CATTLE (MAR) 01/09/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 222.019. The next area of resistance is around 226.837 and 229.068, while 1st support hits today at 223.313 and below there at 222.019.

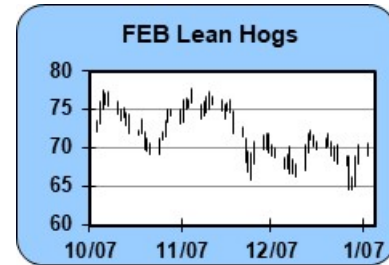
DAILY HOGS COMMENTARY

1/9/2024

Prices nearing important resistance

Incremental gains in the February futures yesterday kept the short-term bounce alive, however, important 50-day moving average resistance, which stopped the 2 rallies in December, looms just above the market at 71.45 on the February futures. 72.45 was the February futures high in December and a breach of that level could set the stage for a larger short covering rally. Cash trade was steady to up \$0.50.

The CME Lean Hog Index as of January 4 was 65.85 down from 65.86 the previous session but up from 65.57 the previous week. The USDA estimated hog slaughter came in at 489,000 head yesterday. This was unchanged from a year ago. The USDA pork cutout, released after the close yesterday, came in at \$85.02, up 82 cents.



China's national average spot pig price as of January 9 was down 0.64% from the previous day. For the week prices are down 0.85%, down 2.85% for the month and down 2.85% year to date and down 9.05% versus a year ago. Dalian live hog futures as of January 09 were up 0.2% from the previous day. For the week prices are down 0.5% and down 1.24% for the month and down 1.24% year to date

TODAY'S MARKET IDEAS:

Further upside gains may be seen today, but important resistance at 71.45 and last month's high at 72.45 are significant hurdles for the bull camp. Open interest has turned down on the rally the last few days which confirms short covering, rather than new long positioning.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/09/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 72.050. The next area of resistance is around 71.500 and 72.050, while 1st support hits today at 69.700 and below there at 68.420.

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										
LCG24	169.950	49.49	47.66	71.18	63.89	170.88	170.28	169.53	172.13	175.65
FCH24	225.075	53.79	50.94	75.72	69.97	225.48	224.95	223.62	225.34	230.33

LHG24 70.600 56.91 52.74 46.26 57.01 68.74 68.43 69.31 71.22 71.55

Calculations based on previous session. Data collected 01/08/2024

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						
LCG24	Live Cattle	167.120	168.150	170.700	171.720	174.270
FCH24	Feeder Cattle	222.018	223.312	225.543	226.837	229.068
LHG24	Lean Hogs	68.400	69.670	70.220	71.500	72.050

Calculations based on previous session. Data collected 01/08/2024

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