



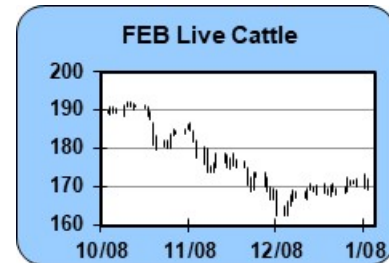
## DAILY LIVESTOCK COMMENTARY Wednesday January 10, 2024

### DAILY CATTLE COMMENTARY 1/10/2024

#### Extreme low temperatures supportive

Monday's cattle slaughter was revised lower by 11,000 head as a Tyson and Cargill packing plant in Kansas had to halt production due to the weather. The recent southern Plains moisture is certainly an issue for feedlot performance but improved winter pasture conditions will be beneficial to the cattle industry. There was no reported cash cattle trade yesterday and the 5-area, 5-day weighted-average is 173.94, down from 174.01 previous day. Cash sales are slow amid the slaughter slowdown due to the weather. February futures resistance is 173.25 and a move above that level would open the door to a larger rally.

Retracement support remains at 167.85 and 166.55. The USDA estimated cattle slaughter came in at 94,000 head yesterday. This brings the total for the week so far to 198,000 head, up from 126,000 last week at this time but down from 254,582 a year ago. The USDA boxed beef cutout was up \$1.96 at mid-session yesterday and closed \$1.33 higher at \$280.16. This was down from \$284.34 the previous week.



#### TODAY'S MARKET IDEAS:

The coming extreme low temperatures in the Midwest this weekend and next week is keeping support under the market as carcass weights have likely peaked for the season. A breakout above 173.25 on the February contract, which would negate the reversal down on Monday, and would be a significant bullish technical development. Retracement support sits at 167.82 and 166.55 on February futures.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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**LIVE CATTLE (FEB) 01/10/2024:** The major trend could be turning up with the close back above the 40-day moving average. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The upside daily closing price reversal gives the market a bullish tilt. The close over the pivot swing is a somewhat positive setup. The next downside target is 167.900. The next area of resistance is around 172.200 and 173.570, while 1st support hits today at 169.370 and below there at 167.900.

**FEEDER CATTLE (MAR) 01/10/2024:** 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. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 222.469. The next area of resistance is around 226.137 and 227.518, while 1st support hits today at 223.613 and

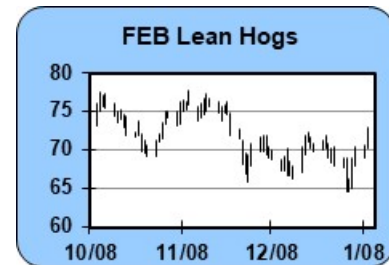
below there at 222.469.

## DAILY HOGS COMMENTARY

1/10/2024

### Futures close above key moving average resistance

Although February futures took out December's high yesterday, the market failed to close above 72.45 but did close above the 50-day moving average for the 1st time since November 17. A definitive close over 72.45 is needed to turn the medium-term trend higher. Trading volume was the highest since early November. Cash prices were up \$0.50, a bit disappointing with the major snowstorm across the hog belt. The CME Lean Hog Index as of January 5 was 65.74, down from 65.85 the previous session but up from 65.35 the previous week. The USDA estimated hog slaughter came in at 395,000 head yesterday. This brings the total for the week so far to 863,000 head, up from 492,000 last week at this time but down from 952,073 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$82.88, down 39 cents from Monday and down from \$83.82 the previous week.



China's national average spot pig price as of January 10 was down 0.43% from the previous day. For the week prices are down 1.28%, down 3.27% for the month and down 3.27% year to date and down 10.55% versus a year ago. Dalian live hog futures as of January 10 were down 0.9% from the previous day. For the week prices are down 1.4% and down 1.90% for the month and down 1.90% year to date

### TODAY'S MARKET IDEAS:

The 1st close in 1 1/2 months above the 50-day moving average is a positive sign but another layer of resistance at the important 100-day moving average sits at 73.75. February futures has not closed above the 100-day since mid-September. The anticipated extremely low temperatures across the hog belt this weekend and next week is a supportive factor. However, the inability of cash hogs to rally this week may limit gains.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/10/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 74.520. The next area of resistance is around 73.250 and 74.520, while 1st support hits today at 70.500 and below there at 69.020.

## 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>										
LCG24	170.770	53.81	50.15	68.12	61.99	170.61	170.32	169.65	171.79	175.29
FCH24	224.875	52.98	50.53	72.35	65.61	224.94	224.98	223.91	224.90	229.79
LHG24	71.870	61.69	56.16	53.30	67.39	70.38	68.72	69.51	71.12	71.50

Calculations based on previous session. Data collected 01/09/2024

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>						
LCG24	Live Cattle	167.870	169.350	170.720	172.200	173.570
FCH24	Feeder Cattle	222.468	223.612	224.993	226.137	227.518
LHG24	Lean Hogs	68.970	70.470	71.750	73.250	74.520

Calculations based on previous session. Data collected 01/09/2024

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