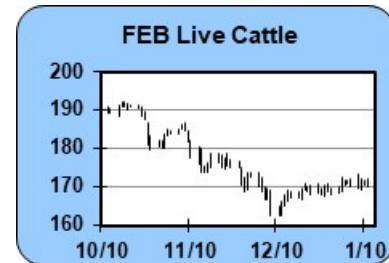




**DAILY CATTLE COMMENTARY**  
1/12/2024

**Extreme cold and winter weather backs up supplies**

Slaughter disruptions are still on the table, as more snow and extreme cold is on the way for the Midwest. February cattle have not had much extension in either direction after Monday's reversal lower, and the lack of a further break over the past couple of days is positive for prices. The weather problems have strengthened the boxed beef cutout this week, and that trend may continue next week. The cutout gained \$2.82 yesterday to come in at \$285.89. This was up from \$275.90 the previous week and was the highest it had been since December 31. US beef export sales for the week ending January 4 came in at 12,200 tonnes, up from 11,363 the previous week but below the average of the previous four weeks at 15,600. Cash cattle trade has been very light this week, and it may be this afternoon before we see significant business. There was some light trade at \$175 in Iowa and Nebraska yesterday, which is up slightly from last week. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 424,000 head, up from 380,000 last week at this time (holiday-shortened) but down from 502,031 a year ago.



**TODAY'S MARKET IDEAS:**

With heavy snow and extremely low temperatures on the way, backups at feedlots may get worse. February futures prices are still under the influence of the outside reversal lower on Tuesday, but the lack of a further break over the last couple of days is supportive. Important resistance remains at 173.25, with retracement support at 167.82 and 166.55.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

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**LIVE CATTLE (FEB) 01/12/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 169.470. The next area of resistance is around 172.770 and 173.350, while 1st support hits today at 170.850 and below there at 169.470.

**FEEDER CATTLE (MAR) 01/12/2024:** The daily stochastics have crossed over up which is a bullish indication. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 229.968. The next area of resistance is

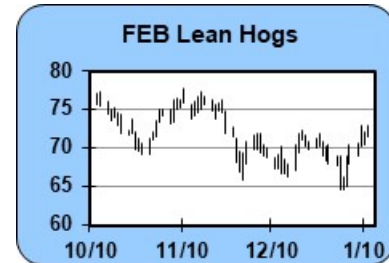
around 228.937 and 229.968, while 1st support hits today at 225.863 and below there at 223.819.

## DAILY HOGS COMMENTARY

1/12/2024

### Support from extreme cold and bullish tech action.

February hog futures have continued to hold their uptrend, despite a disappointing export sales report yesterday that showed US pork sales for the week ending January 4 at 23,343 tonnes, the lowest since October 5. Technically, yesterday's close in February hogs above 72.45 has changed the medium-term trend to higher. The extreme cold temperatures coming to the Midwest are supportive, as that affects weight gain and animal health. It could also back up hogs in the country. The CME Lean Hog Index as of January 9 was 66.46, up from 65.83 the previous session and 65.19 the previous week. The USDA estimated hog slaughter came in at 490,000 head yesterday. This brings the total for the week so far to 1.809 million head, up from 1.452 million last week (holiday-shortened) but down from 1.925 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$83.05, down \$2.25 from Wednesday and down from \$83.10 the previous week. China's national average spot pig price was 1.6% lower today, and prices are down 4.1% for the week and 6.0% for the month.



### TODAY'S MARKET IDEAS:

Key resistance for February hogs comes in at 73.67, the 100-day moving average, which has not been breached since mid-September. The close above the December high at 72.45 yesterday has turned the medium-term trend up. Look for support at 71.40 and 69.80.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (FEB) 01/12/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. 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 objective is at 74.020. The next area of resistance is around 73.400 and 74.020, while 1st support hits today at 71.800 and below there at 70.800.

### DAILY TECHNICAL STATISTICS

|                     | CLOSE   | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|---------------------|---------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>MEAT COMPLEX</b> |         |              |               |                           |                           |                |                |                 |                 |                 |
| LCG24               | 171.800 | 59.25        | 53.35         | 65.55                     | 65.46                     | 170.82         | 170.81         | 170.06          | 171.24          | 174.64          |
| FCH24               | 227.400 | 61.71        | 55.60         | 71.80                     | 74.05                     | 225.87         | 225.54         | 224.78          | 224.28          | 228.87          |

LHG24 72.600 64.44 58.12 67.50 81.59 71.79 69.42 69.93 70.97 71.45

Calculations based on previous session. Data collected 01/11/2024

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   | 169.450   | 170.820   | 171.400 | 172.770  | 173.350  |
| FCH24               | Feeder Cattle | 223.818   | 225.862   | 226.893 | 228.937  | 229.968  |
| LHG24               | Lean Hogs     | 70.770    | 71.770    | 72.400  | 73.400   | 74.020   |

Calculations based on previous session. Data collected 01/11/2024

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