

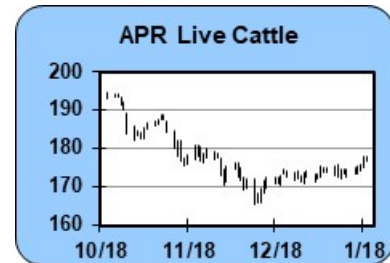


## DAILY LIVESTOCK COMMENTARY Monday January 22, 2024

### DAILY CATTLE COMMENTARY 1/22/2024

#### "Neutral" Cattle on Feed may spark a lower open.

The USDA Cattle on Feed Report on Friday showed placements for the month of December at 95.5% of a year ago, which was right on the average trade expectation. (Expectations ranged from 91.5% to 98.0%.) December marketings came in at 99.1% of last year versus 99.3% expected (range 98.2% to 100.7%). January 1 on feed supply came in at 102.1% versus 102.2% expected (range 101.4% to 102.5%). A winter weather advisory extends down into eastern Kanada and Oklahoma, and some areas have winter storm and freezing fog warnings. Extreme cold reached all the way down into Oklahoma this past weekend, which could provide support to the market today. However, the 6-10-day forecast calls for below normal precipitation and above normal temperatures across the Midwest and Plains states. Friday's export sales report showed US beef sales for the week ending January 11 at 21,381 tonnes, up from 12,241 the previous week and the highest since July 20. Cumulative sales for 2024 have reached 153,600 tonnes, down from 174,400 a year ago and below the five-year average of 190,100. The largest buyer was South Korea at 7,756 tonnes, followed by China at 5,209 and Japan at 2,422. The USDA estimated cattle slaughter came in at 121,000 head Friday and 34,000 head for Saturday. This brought the total for last week to 617,000 head, up from 546,000 the previous week but down from 647,262 a year ago. The estimated average dressed cattle weight last week was 851 pounds, up from 849 the previous week and 826 a year ago. The 5-year average weight for that week is 831 pounds. Estimated beef production last week was 523.8 million pounds, down from 533.6 million a year ago. The USDA boxed beef cutout was down 34 cents at mid-session Friday and closed 79 cents lower at \$295.50. This was up from \$289.26 the previous week. Cash live cattle trade was light last week, with only 3,587 head reported for the week as of Friday afternoon. This was down from 25,000 the previous week and 23,000 the week before that. Friday's Commitments of Traders report showed managed money traders were net sellers of 777 contracts of cattle for the week ending January 16, reducing their net long to 12,993. This is their smallest net long since May 2022.



#### TODAY'S MARKET IDEAS:

Friday's Cattle on Feed report was about as neutral as they come, with placements, marketings, and on feed coming in at or very close to average trade expectations. The does not alter the generally bullish tone, but the market may have gotten a bit overdone on the rally. Look for support at 176.275 and 175.750. Key resistance comes in at 178.450.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Livestock</b>						
Feeder Cattle	-5,644	+1,275	5,484	-560	160	-715
Cattle	30,899	-346	-26,493	+116	-4,406	+230

## 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) 01/22/2024:** Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 178.320. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 177.820 and 178.320, while 1st support hits today at 176.900 and below there at 176.450.

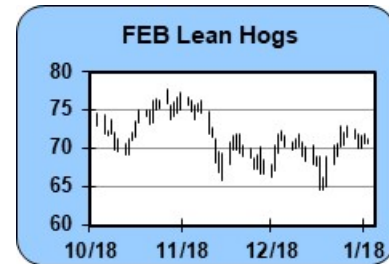
**FEEDER CATTLE (MAR) 01/22/2024:** Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 234.018. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 232.862 and 234.018, while 1st support hits today at 231.038 and below there at 230.369.

## DAILY HOGS COMMENTARY

1/22/2024

### US slaughter, pork production recover from cold and snow.

A strong pork cutout indicates good demand, but a quick recovery in US pork production following the extreme cold and snow earlier this month may limit any further advance in hog prices. There is a winter weather advisory that stretches from eastern Kansas and Oklahoma through Missouri, the southeastern two-thirds of Iowa, and across Illinois, Indiana, southern Michigan and much of Ohio that could slow movement of hogs to market. However, the extended forecasts show a shift to above normal temperature across the US, with below normal precipitation over much of the Midwest. The USDA estimated hog slaughter came in at 482,000 head Friday and 365,000 head for Saturday. This brought the total for last week to 2.652 million head, up from 2.174 million the previous week and 2.541 million a year ago. Estimated US pork production last week was 575.8 million pounds, up from 470.3 million the previous week and 552.7 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$87.25, up 4 cents from Thursday and up from \$85.39 the previous week. This was the highest it had been since November 27. The CME Lean Hog Index as of January 17 was 67.87, up from 67.34 the previous session and 66.77 the previous week. US pork export sales for the week ending January 11 came in at 33,428 tonnes, up from 23,343 the previous week and the highest since December 21. Cumulative sales for 2024 have reached 287,400 tonnes, up from 242,800 a year ago but below the five-year average of 370,900. The largest buyer was Mexico at 9,968 tonnes, followed by Japan at 9,015 and South Korea at 6,314. China bought 88 tonnes. Mexico has the most commitments for 2024 at 75,300 tonnes, followed by North Korea at 68,800, Japan at 41,600, and China at 19,200. Friday's Commitments of Traders showed managed money traders were net buyers of 4,782 contract of hogs for the week ending January 16, reducing their net short to 1,807.



### TODAY'S MARKET IDEAS:

April hogs fell right to the 21-day moving average last week and bounced off that level, and this bullish short-term action could set the market on a path to test the recent high and the 100-day moving average. First retracement support comes in at 76.47, followed by 75.55.

### NEW RECOMMENDATIONS:

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	6,697	+2,416	1,011	-1,041	-7,707	-1,373

**PORK COMPLEX TECHNICAL OUTLOOK:**

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LEAN HOGS (APR) 01/22/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 78.920. The next area of resistance is around 78.500 and 78.920, while 1st support hits today at 77.800 and below there at 77.500.

**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>										
LCJ24	177.370	70.26	61.23	79.80	87.24	176.46	174.99	174.16	173.77	176.16
FCH24	231.950	72.07	63.37	83.64	87.24	230.78	228.25	226.56	224.21	227.37
LHJ24	78.150	56.55	54.29	80.92	83.59	78.04	78.31	76.68	77.11	77.80

Calculations based on previous session. Data collected 01/19/2024

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>						
LCJ24	Live Cattle	176.420	176.870	177.370	177.820	178.320
FCH24	Feeder Cattle	230.368	231.037	232.193	232.862	234.018
LHJ24	Lean Hogs	77.470	77.770	78.200	78.500	78.920

Calculations based on previous session. Data collected 01/19/2024

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