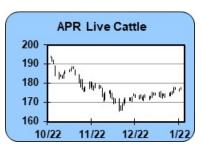


# DAILY LIVESTOCK COMMENTARY Wednesday January 24, 2024

# DAILY CATTLE COMMENTARY 1/24/2024

## Muddy pens and strong beef prices.

April cattle traded to their highest level since November 22 yesterday after weathering a disappointing Cattle on Feed Report from last week. The On-Feed report came in as expected, but it did confirm lower placements for December. The market has been lifted by wintry weather in the Plains that reduced cattle weights and limited the movement of animals to processing plants. The slaughter pace has recovered, but milder temperatures can result in muddy pens, which is another source of stress for cattle. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to



240,000 head, up from 223,000 last week but down from 248,648 a year ago. The USDA boxed beef cutout was up \$2.34 at mid-session yesterday and closed \$2.99 higher at \$301.66. This was up from \$294.99 the previous week and was the highest the cutout had been since November 6. Cash live cattle were quiet with no trades reported.

#### TODAY'S MARKET IDEAS:

April cattle are approaching 178.525, the 0.382 retracement of the September-December decline, and they need a close above there to verify the uptrend. Look for support at 175.925.

#### **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) 01/24/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 179.120. The next area of resistance is around 178.570 and 179.120, while 1st support hits today at 177.070 and below there at 176.100.

FEEDER CATTLE (MAR) 01/24/2024: 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 236.268. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 235.212 and 236.268, while 1st support hits today at 232.088 and below there at 230.019.

# **DAILY HOGS COMMENTARY**

1/24/2024

## Steep rally might invite some profit taking.

April hogs extended their rally off the December lows this week with a breakout move yesterday that took them to their highest level since November 20. The market has made a decisive move above the 100-day moving average for the first time since September, leaving the next target area around the 200-day moving average at 81.90, which happens to correspond with a long-term resistance line. An ice storm in the Midwest may have slowed the movement of hogs yesterday, but the market is also on a longer-term uptrend that appears to extend beyond a short-term interruption in supply. The USDA pork cutout, released



after the close yesterday, came in at \$86.91, down \$1.81 from Monday but up from \$86.56 the previous week. On Monday it reached its highest level since November 6. The CME Lean Hog Index as of January 19 was 68.40, up from 68.06 the previous session and 66.55 the previous week. The USDA estimated hog slaughter came in at 487,000 head yesterday. This brings the total for the week so far to 970,000 head, up from 832,000 last week but down from 987,024 a year ago. The China Agriculture Minister said on Tuesday that China's pig herd at the end of December was down 2.5 million head from the previous year to 41.42 million but that the numbers were still too high, and he said that destocking would continue for the next 1-2 months. UK pig meat production fell 11% in 2023 to its lowest level in five years.

#### TODAY'S MARKET IDEAS:

The next upside objective for April hogs comes ins around 81.90, but we would not be surprised to see some back and fill after the steep rally yesterday. Look for support at 79.42 and 78.85.

#### **NEW RECOMMENDATIONS:**

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/24/2024: The major trend could be turning up with the close back above the 60-day moving average. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside target is 83.320. The next area of resistance is around 82.120 and 83.320, while 1st support hits today at 78.520 and below there at 76.100.

# **DAILY TECHNICAL STATISTICS**

MEAT COMPLEX									
CLOSE	RSI	RSI	STOCH D	STOCH K	M AVG	M AVG	M AVG	M AVG	M AVG
	9 DAY	14 DAY	SLOW	SLOW	4 DAY	9 DAY	18 DAY	45 DAY	60 DAY
			17 0/1	17 0/1					

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44 DAV

LCJ24	177.820	69.97	61.91	83.81	88.24	177.44	175.89	174.67	173.67	175.95
FCH24	233.650	73.93	65.56	85.30	88.10	232.36	229.92	227.45	224.21	227.17
LHJ24	80.320	67.26	61.65	82.64	85.85	78.64	78.53	76.92	77.00	77.89

Calculations based on previous session. Data collected 01/23/2024 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							
LCJ24	Live Cattle	176.070	177.050	177.600	178.570	179.120	
FCH24	Feeder Cattle	230.018	232.087	233.143	235.212	236.268	
LHJ24	Lean Hogs	76.070	78.500	79.700	82.120	83.320	

Calculations based on previous session. Data collected 01/23/2024 Data sources can & do produce bad ticks. Verify before use.

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