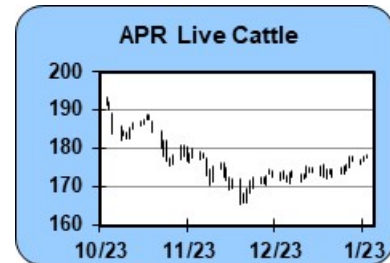




**DAILY CATTLE COMMENTARY**  
1/26/2024

**Strong exports and cash market gains.**

April cattle had a breakout rally yesterday that took them to their highest level since November 9. The cattle market continues to draw support from strong cash prices and concerns about light cattle weights in the wake of the severe winter weather last week. Cash live cattle prices are higher this week. In active trade on Wednesday and Thursday, the five-area weighted average price was \$174.95, up from \$173.55 last week. Yesterday's weekly export sales report showed US beef sales for the week ending January 18 at 22,363 tonnes, up from 21,381 the previous week and the highest since February 9, 2023. This was the second straight week with net sales over 20,000 tonnes. This was the first time this has happened since July. It was also the largest two-week total since last February. The largest buyer this week was South Korea at 9,649 tonnes, followed by China at 3,068 and Japan at 2,848. South Korea has the most commitments for 2024 at 54,700 tonnes, followed by Japan at 36,400 and China at 27,600. The USDA estimated cattle slaughter came in at 126,000 head yesterday. This brings the total for the week so far to 492,000 head, up from 462,000 last week but down from 499,571 a year ago. The USDA boxed beef cutout was down \$1.66 at mid-session yesterday and closed 82 cents lower at \$298.68. This was up from \$296.29 the previous week.



**TODAY'S MARKET IDEAS:**

April cattle are under the technically bullish influence of their move above the 50-day moving average last week, and they have found additional support with the 21-day moving average crossing over the 50-day this week. Yesterday's close above the first retracement of the September-December decline leaves the next upside target at 182.60. Look for support at 178.425.

**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) 01/26/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive signal was given by the outside day up. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 183.650. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 182.520 and 183.650, while 1st support hits today at 178.870 and below there at 176.320.

FEEDER CATTLE (MAR) 01/26/2024: 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 outside day up and close above the previous day's high is a positive signal. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 243.762. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 241.650 and 243.762, while 1st support hits today at 234.700 and below there at 229.863.

## DAILY HOGS COMMENTARY

1/26/2024

### Sharp rally not supported by export sales.

April hogs extended their rally yesterday to reach their highest level since October 10. The move above the 50% retracement of the decline from the contract high in November 2022 to the low last month and the move above the 200-day moving average for the first time were bullish. Traders may have turned optimistic about US pork export demand after reports of new stimulus measures by China's central bank this week. The CME Lean Hog Index as of January 23 was 69.39, up from 68.75 the previous session and 67.34 the previous week. The USDA estimated hog slaughter came in at 480,000 head yesterday. This brings the total for the week so far to 1.935 million head, up from 1.805 million last week but down from 1.963 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$88.14, up 7 cents from Wednesday and up from \$87.21 the previous week. US pork export sales for the week ending January 18 came in at 24,127 tonnes, down from 33,428 the previous week and below the four-week average of 27,142. Cumulative sales for 2024 have reached 311,500 tonnes, up from 287,500 a year ago but below the five-year average of 415,100. The largest buyer this week was Mexico at 9,656 tonnes, followed by Japan at 3,094 and Australia at 2,158. China's national average spot pig price is up 6.3% for the week and 3.3% for the year so far.



### TODAY'S MARKET IDEAS:

The next upside target for April cattle comes in at 84.00, the 0.618 retracement of the decline from the contract high to last month's contract low. Support comes in at 81.65, the 50% retracement level, followed by 79.30. RSI and stochastics are high, which leaves the market vulnerable to a near-term selloff.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/26/2024: 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. The close over the pivot swing is a somewhat positive setup. The next upside target is 83.520. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 83.100 and 83.520, while 1st support hits today at 82.000 and below there at 81.300.

## 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	180.700	79.86	69.63	88.83	93.46	178.44	177.09	175.44	173.75	175.80
FCH24	238.175	82.15	72.29	87.54	90.64	234.22	231.96	228.75	224.45	227.09
LHJ24	82.520	74.89	67.64	87.93	92.86	80.63	79.26	77.68	77.03	78.02

Calculations based on previous session. Data collected 01/25/2024

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	176.300	178.850	179.970	182.520	183.650
FCH24	Feeder Cattle	229.862	234.700	236.812	241.650	243.762
LHJ24	Lean Hogs	81.270	81.970	82.400	83.100	83.520

Calculations based on previous session. Data collected 01/25/2024

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