



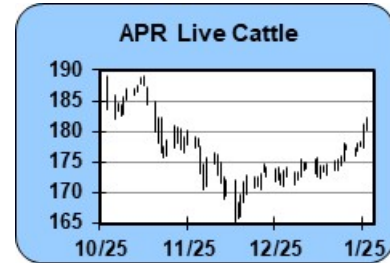
DAILY LIVESTOCK COMMENTARY
Monday January 29, 2024

DAILY CATTLE COMMENTARY
1/29/2024

Muddy pens and strong cash markets.

April live cattle built on last Thursday's breakout rally to trade to their highest level since November 9 on Friday, and strong cash cattle and beef markets and could continue to support the market this week.

Heavy snow and extreme cold had supported the market on concerns about weight gain, and feedlots are now confronted with muddy conditions, which is also detrimental. Cash live cattle were roughly \$2 higher last week. As of Friday afternoon, the five-day, five-area weighted average price was \$175.26, up from \$173.55 the previous week. The USDA boxed beef cutout closed \$1.85 higher on Friday at \$300.53. This was up from \$295.50 the previous week. The USDA estimated cattle slaughter came in at 121,000 head Friday and 5,000 head for Saturday. This brought the total for last week to 618,000 head, up from 617,000 the previous week but down from 653,208 a year ago. The estimated average dressed cattle weight last week was 847 pounds, down from 851 the previous week but up from 827 a year ago. The 5-year average weight for that week is 834 pounds. Estimated US beef production last week was 522.5 million pounds, down from 538.8 million a year ago. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,174 contracts of live cattle for the week ending January 23, increasing their net long to 17,167. The is down significantly from the 100,000+ they were net long in September. The buying trend is short-term positive.



Friday's Commitments of Traders report showed managed money traders were net buyers of 4,174 contracts of live cattle for the week ending January 23, increasing their net long to 17,167. The is down significantly from the 100,000+ they were net long in September. The buying trend is short-term positive.

TODAY'S MARKET IDEAS:

The next upside resistance/target levels for April cattle comes in at 182.60, the 50% retracement of the September-December decline, followed by the 200-day moving average at 184.025. Look for support at 178.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/16/2024 - 1/23/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	-2,158	+3,486	3,538	-1,946	-1,380	-1,540
Cattle	37,147	+6,248	-33,897	-7,404	-3,250	+1,156

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) 01/29/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 183.300. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 182.600 and 183.300, while 1st support hits today at 180.770 and below there at 179.620.

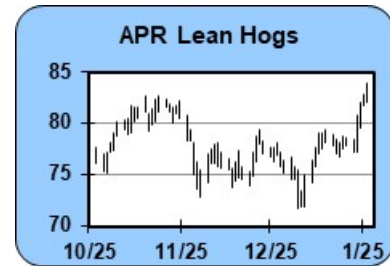
FEEDER CATTLE (MAR) 01/29/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 243.731. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 241.737 and 243.731, while 1st support hits today at 237.663 and below there at 235.582.

DAILY HOGS COMMENTARY

1/29/2024

Overbought and up against key resistance.

April hogs were sharply higher on Friday, as they continued to benefit from strong cash pork prices and a more favorable environment for commodities in general, but they could be running up against key technical resistance. With Friday's move, the market achieved the 0.618 retracement of the decline from the contract high in October 2022 to this month's contract low. At Friday's high, prices had increased 8% in just four sessions and were up 17% from the January 2 low. The USDA estimated hog slaughter came in at 490,000 head Friday and 294,000 head for Saturday. This brought the total for last week to 2.719 million head, up from 2.630 million the previous week and 2.546 million a year ago. Estimated US pork production last week was 592.3 million pounds, up from 571 million the previous week and 553.1 million a year ago. The CME Lean Hog Index as of January 24 was 69.67, up from 69.39 the previous session and 67.87 the previous week. The USDA pork cutout came in at \$88.49 on Friday, up 35 cents from Thursday and up from \$87.25 the previous week. China's national average spot pig price today was up 3.4% from Friday and 6.9% for the month. The strong market is in sharp contrast to expectations that more herd liquidation would be coming that would pressure pig prices. Dalian live hog futures are up 3% so far this year. Last week China reported that its pig herd was 434.22 million head at the end of 2023, down 4.1% from the previous year. The sow herd fell 5.7% to 41.42 million head. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,290 contracts of lean hogs for the week ending January 23, which took them from a net short position to a net long of 2,483. The buying trend is short-term positive.



TODAY'S MARKET IDEAS:

Key resistance for April cattle comes in at 84.00, Friday's high and the 0.618 retracement of the decline from the contract high to the contract low on January 2. Support comes in at the 200-day moving average at 81.80. A break below there could spark a significant selloff given the current overbought technical condition. Additional support levels come in at 81.40 and 80.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/16/2024 - 1/23/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Hogs	10,908	+4,211	-4,331	-5,342	-6,577	+1,130

PORK 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.

LEAN HOGS (APR) 01/29/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 85.000. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 84.150 and 85.000, while 1st support hits today at 82.320 and below there at 81.320.

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
MEAT COMPLEX										
LCJ24	181.670	82.15	71.75	90.62	94.18	179.64	177.92	175.96	173.81	175.74
FCH24	239.700	84.06	74.12	88.35	89.97	236.33	233.30	229.67	224.61	227.10
LHJ24	83.250	76.96	69.36	89.36	92.23	82.04	79.77	78.14	77.08	78.08

Calculations based on previous session. Data collected 01/26/2024
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	179.600	180.750	181.450	182.600	183.300
FCH24	Feeder Cattle	235.581	237.662	239.656	241.737	243.731
LHJ24	Lean Hogs	81.300	82.300	83.150	84.150	85.000

Calculations based on previous session. Data collected 01/26/2024
Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.