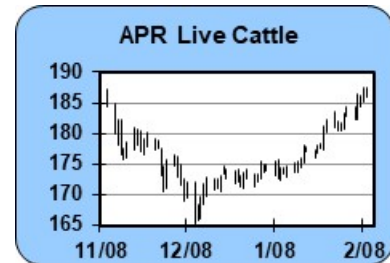




**DAILY CATTLE COMMENTARY**  
2/12/2024

**Beef production falls last week**

April cattle are expected to have a steady start to the week. Last week's action did nothing to change the current uptrend. Ideas of tightening supply may support on breaks, but the current uptrend is getting long in the tooth. Last week's cash trade held off until late Friday afternoon but was up \$4 from the previous week at \$182. US beef production was down 3.1% last week. The five-day, five-area weighted average cattle prices as of Friday afternoon was \$179.53, up from \$177.87 the previous week. As of Friday, trade volume for the week was only 7,128 contracts versus 41,100 the previous week. However, today's recap of Friday's trade could show more volume. April futures have nearby gap resistance at 187.55. If prices can move beyond that level, additional gap resistance stands at 190.27. 200-day moving average support is 184.40. The USDA estimated cattle slaughter came in at 117,000 head Friday and 4,000 head for Saturday. This brought the total for last week to 622,000 head, down from 637,000 the previous week and 628,000 a year ago. The estimated average dressed cattle weight last week was 838 pounds, down from 845 the previous week but up from 825 a year ago. The 5-year average weight for that week is 833 pounds. Estimated beef production last week was 519.9 million pounds, up from 516.7 million a year ago. The USDA boxed beef cutout was down 87 cents at mid-session Friday and closed 97 cents lower at \$294.04. This was up from \$293.08 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 8,917 contracts of live cattle for the week ending February 6, increasing their net long to 36,088.



**TODAY'S MARKET IDEAS:**

Stronger cash trade Friday may offer support to start the week, along with a backdrop of tighter supplies. Gap resistance sits just over last week's high at 187.55 on April. Larger gap resistance stands at 190.27. 200-day moving average support stands at 184.40.

**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) 02/12/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 target is at 188.320. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 187.520 and 188.320, while 1st support hits today at 185.920 and below there at 185.050.

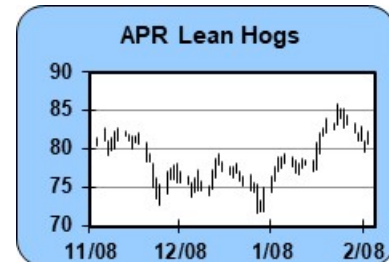
FEEDER CATTLE (MAR) 02/12/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 244.719. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 248.362 and 249.568, while 1st support hits today at 245.938 and below there at 244.719.

## DAILY HOGS COMMENTARY

2/12/2024

### Technicals point higher

While April hogs gave up some of their gains from Friday's strong start, the cash hog index hit its highest weekly close in 12 weeks, which may support further upside. Key support in April cattle remains at 79.67, with retracement resistance at 82.80 and 83.55. Outstanding pork export sales are 20% above a year ago. Pork production fell last week by 2.8% from the previous week and slaughter was down 2.6% on the week. The CME Lean Hog Index as of February 7 was 74.00, down from 74.02 the previous session but up from 72.71 the previous week. The USDA estimated hog slaughter came in at 484,000 head Friday and 181,000 head for Saturday. This brought the total for last week to 2.622 million head, down from 2.691 million the previous week but up from 2.475 million a year ago. Estimated US pork production last week was 570.4 million pounds, down from 586.8 million the previous week but up from 534.5 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$85.33, up 7 cents from Thursday but down from \$87.26 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 6,611 contracts of lean hogs for the week ending February 6, increasing their net long to 31,647.



### TODAY'S MARKET IDEAS:

Since the first of the year, April prices have been in an uptrend, and after last week's test of important support, the uptrend may be ready to resume. Nearby resistance is 82.80, and key support rests at last week's lows of 79.67.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### 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) 02/12/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 79.720. The next area of resistance is around 81.970 and 83.020, while 1st support hits today at 80.350 and below there at 79.720.

## 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	186.700	73.55	70.81	89.06	90.48	186.04	183.99	181.29	176.02	175.87
FCH24	247.150	74.82	72.28	89.89	89.30	246.56	244.46	239.42	229.50	228.41
LHJ24	81.150	48.97	52.87	59.20	49.06	80.96	82.59	81.51	78.46	78.37

Calculations based on previous session. Data collected 02/09/2024

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	185.020	185.900	186.670	187.520	188.320
FCH24	Feeder Cattle	244.718	245.937	247.143	248.362	249.568
LHJ24	Lean Hogs	79.700	80.320	81.350	81.970	83.020

Calculations based on previous session. Data collected 02/09/2024

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.