



DAILY LIVESTOCK COMMENTARY

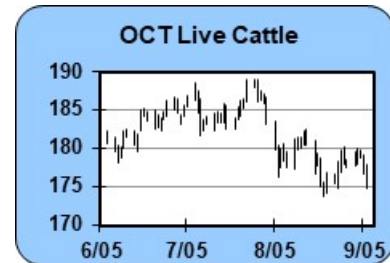
Monday September 09, 2024

DAILY CATTLE COMMENTARY

9/9/2024

Cash trade ended \$2-3 lower last week

December live cattle took it on the chin Friday with a very weak close, which may have been partly sparked by the poor jobs report Friday morning. Consumer demand remains a worry and losses were larger in feeder cattle than fats on Friday, due to the recent rally in grain prices. The technical picture remains weak and we look for selling on rallies to continue to pressure the market. Cash trade was \$2-\$3 weaker last week with mostly \$181 trade in the South on Friday and \$180-183 in the north. The 5-day, 5-area weighted average for the week ended at 181.25, down from 183.57 the previous week. U.S. beef export sales for the week ending August 29 came in at 16,500 tonnes compared with the average of the previous four weeks of 17,800 tonnes. Cumulative sales for the 16.5 have reached 672,100 tonnes, up 2.4% versus last year's pace. The estimated average dressed cattle weight for the week ending September 7 is 851 pounds, up from 849 the previous week and up from 828 a year ago. The 5-year average weight for that week is 827 pounds. Estimated beef production last week was 460.6 million pounds, down from 461.8 million a year ago. The USDA estimated cattle slaughter came in at 123,000 head Friday and 43,000 head for Saturday. This brought the total for last week to 542,000 head, down from 611,000 the previous week and down from 558,921 a year ago. The USDA boxed beef cutout was down \$1.92 at mid-session Friday and closed \$2.10 lower at \$309.41. This was up from \$308.66 the previous week.



Cattle positioning in the Commitments of Traders for the week ending September 3rd showed Managed Money traders are net long 38,058 contracts after net buying 44 contracts. CIT traders net sold 105 contracts and are now net long 86,551 contracts. Non-Commercial No CIT traders were net long 18,715 contracts after decreasing their long position by 1,247 contracts. Non-Commercial & Non-Reportable traders are net long 39,227 contracts after net selling 2,486 contracts.

TODAY'S MARKET IDEAS:

Demand worries are more likely causing the aggressive bear camp selling seen late last week. December live cattle may be headed for a test of the August low at 173.17. Weekly export sales came in just under the average of the last month but sellers seem to be very aggressive on rallies and the path of least resistance looks lower.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 8/27/2024 - 9/3/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-6,426	+2,154	8,146	-703	-1,720	-1,451
Cattle	58,674	-2,703	-39,227	+2,487	-19,447	+217

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 (OCT) 09/09/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 172.770. The next area of resistance is around 176.670 and 178.850, while 1st support hits today at 173.670 and below there at 172.770.

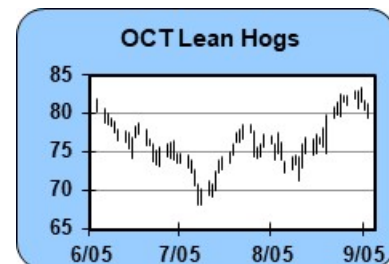
FEEDER CATTLE (OCT) 09/09/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 226.544. The next area of resistance is around 233.712 and 237.593, while 1st support hits today at 228.188 and below there at 226.544.

DAILY HOGS COMMENTARY

9/9/2024

Further pullback expected this week

December hogs closed weak Friday after the downside reversal midweek and closed back below the 100-day moving average. Foreign meat buyers are finding US pork prices attractive but strong pork production and higher carcass weights are weighing on the futures. Weekly pork export sales pulled back after a couple of very strong weeks in a row. The pullback may continue to 1st retracement support at 70.10 and possibly the 50% retracement at 68.80.



U.S. pork export sales for the week ending August 29 came in at 20,800 tonnes compared with the average of the previous four weeks of 29,500 tonnes. Cumulative sales for the 2024 marketing year have reached 1,345,100 tonnes, down 1.8% versus last year's pace. Estimated US pork production for the week ending September 7 is 488.9 million pounds, down from 509.7 the previous week and up from 466.2 a year ago. The CME Lean Hog Index as of September 4 was 86.43 up from 86.27 the previous session but down from 87.45 the previous week. The USDA estimated hog slaughter came in at 482,000 head Friday and 295,000 head for Saturday. This brought the total for last week to 2.327 million head, down from 2.429 million the previous week but up from 2.245 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$94.72, up 59 cents from Thursday but down from \$95.32 the previous week.

The September 3rd Commitments of Traders report showed Hogs Managed Money traders are net long 39,060 contracts after net buying 10,399 contracts. CIT traders were net long 104,973 contracts after increasing their already long position by 3,681 contracts. Non-Commercial No CIT traders net bought 6,267 contracts and are now net short 7,143 contracts. Non-Commercial & Non-Reportable traders are net long 32,925 contracts after net buying 6,586 contracts.

TODAY'S MARKET IDEAS:

December hogs continued their pullback Friday after the daily downside reversal Wednesday was confirmed with a lower close Thursday, following the recent \$10 rally since mid-August. The pullback has retracement support at 70.10 and 68.80. Short-term technical indicators have given a sell signal, and further weakness is expected after prices stalled at the 200-day moving average last week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 8/27/2024 - 9/3/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	44,288	+8,777	-32,925	-6,586	-11,363	-2,191

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/09/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 78.070. The next area of resistance is around 80.420 and 81.800, while 1st support hits today at 78.570 and below there at 78.070.

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										
LCV24	175.170	34.49	37.72	48.62	45.09	177.73	178.05	178.07	181.55	182.24
FCV24	230.950	30.67	33.13	49.69	43.20	235.58	236.79	236.53	246.15	249.91
LHV24	79.500	49.15	53.42	83.98	74.70	81.08	81.43	79.04	76.14	76.02

Calculations based on previous session. Data collected 09/06/2024

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						
LCV24	Live Cattle	172.750	173.650	175.800	176.670	178.850
FCV24	Feeder Cattle	226.543	228.187	232.068	233.712	237.593
LHV24	Lean Hogs	78.050	78.550	79.920	80.420	81.800

Calculations based on previous session. Data collected 09/06/2024

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