

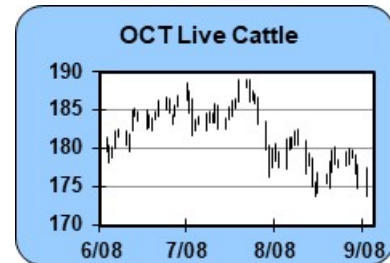


## DAILY LIVESTOCK COMMENTARY Tuesday September 10, 2024

### DAILY CATTLE COMMENTARY 9/10/2024

#### Live cattle gets boost from strong stock market

December live cattle staged a very strong rally to start the week, reversing Friday's weakness on the strongest daily trading volume in over a month. A significant rally in the US stock market added to the positive tone. Cattle slaughter is expected to rebound with the full kill week this week, but still remains 13% lower year-over-year. US beef imports in July were up 26% from the previous year, while China's year-to-date beef imports are down 13.9% from last year. Cash trade yesterday was very light at \$182 in the north, down \$1 from last week. Barclays Bank says a cattle supply recovery will not occur until 2026 and beef prices will see headwinds from cheaper alternative proteins. The 5-area, 5-day weighted average for the week is 181.05, down from 181.27 last week. Look for resistance on December live cattle at 179.10. The USDA estimated cattle slaughter came in at 114,000 head Monday. The USDA boxed beef cutout was up 20 cents at mid-session Monday and closed 89 cents lower at \$308.52. This was down from \$309.34 the previous week.



#### TODAY'S MARKET IDEAS:

The strong US stock market gave a boost to the cattle market yesterday as prices reversed higher from the break late last week. December live cattle futures will need to close above 179.50, last week's highs, to turn the tide back to the bull camp. Heavier weights, increasing supplies of cattle, and fading summer beef demand are significant headwinds and aggressive selling may return on a test of last week's highs.

#### 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 (OCT) 09/10/2024:** The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside daily closing price reversal gives the market a bullish tilt. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is 172.520. The next area of resistance is around 178.820 and 180.100, while 1st support hits today at 175.050 and below there at 172.520.

**FEEDER CATTLE (OCT) 09/10/2024:** Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside daily closing price reversal gives the market a bullish tilt. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 227.650. The next area of resistance is around 237.725 and

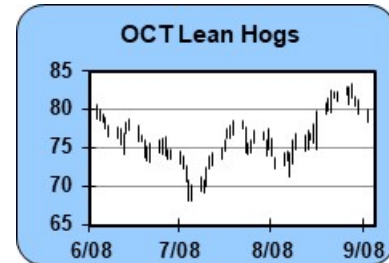
239.650, while 1st support hits today at 231.725 and below there at 227.650.

## DAILY HOGS COMMENTARY

9/10/2024

### Pullback to retracement support ongoing

The December hog market continued the selloff yesterday with the 2nd consecutive close below the 100-day moving average. Hog slaughter last week was 3.6% above year ago and carcass weights are 1% higher year-over-year, resulting in pork production rising 5% last week. Pork production is expected to remain strong through the 4th quarter. As cooler temperatures move in for the fall, hog weights can rise, especially with cheap corn to feed. December is nearing initial.382% retracement support at 70.10 with 50% retracement at 68.80. The CME Lean Hog Index as of September 5 was 86.24 down from 86.43 the previous session and from 87.04 the previous week. The USDA estimated hog slaughter came in at 486,000 head Monday. The USDA pork cutout, released after the close Monday, came in at \$95.26, up 54 cents from Friday but down from \$96.77 the previous week. The previous low was \$94.72 on September 6. The previous high was \$98.12 on September 3.



### TODAY'S MARKET IDEAS:

Last week's daily reversal lower continues to dominate the technical action and the current pullback has retracement support at 70.10 and 68.80. Last week's failed test of the 200-day moving average at 73.90 may turn out to be a significant high as carcass weights and pork production rise.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/10/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 77.500. The next area of resistance is around 79.570 and 80.570, while 1st support hits today at 78.050 and below there at 77.500.

### 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>										
LCV24	176.920	44.18	43.74	47.89	46.42	177.14	178.04	177.85	181.32	182.18
FCV24	234.725	43.58	41.49	48.19	45.18	234.43	236.49	236.24	245.54	249.50
LHV24	78.770	44.83	50.56	77.87	65.64	80.14	81.25	79.37	76.26	76.05

Calculations based on previous session. Data collected 09/09/2024  
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>						
LCV24	Live Cattle	172.500	175.020	176.300	178.820	180.100
FCV24	Feeder Cattle	227.650	231.725	233.650	237.725	239.650
LHV24	Lean Hogs	77.470	78.020	79.020	79.570	80.570

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