



## DAILY LIVESTOCK COMMENTARY

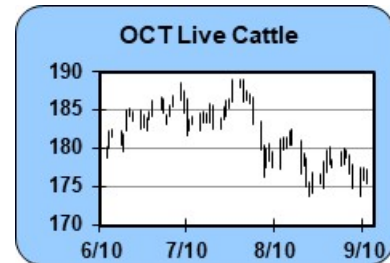
Thursday September 12, 2024

### DAILY CATTLE COMMENTARY

9/12/2024

#### Weakening trimmings suggest demand shifting lower

December live cattle rallied late in the session yesterday to close in the upper end of the range. Stock market weakness weakened prices early in the session yesterday, but the Dow rallied back and cattle prices did too. Since January of last year, beef prices are up 10%, while pork prices are mostly unchanged, and poultry prices have seen a 3% increase. This highlights the potential for the consumer switching to cheaper beef alternatives. December live cattle tested moving average resistance yesterday and if the rally can extend, next resistance is 179.50. Cutout prices are weakening, and a similar trend was seen last year at this time when cutout fell through the fall and into the end of the year. Cash trade was reported in KS Wednesday at 175-181 and a weighted average of 180.26. The 5-area, 5-day weighted average for the week is 181.03, compared to 181.27 at the end of last week. USDA will release beef production numbers in today's USDA supply/demand report.



The USDA estimated cattle slaughter came in at 124,000 head Wednesday. This brings the total for the week so far to 362,000 head, up from 252,000 last week at this time but down from 376,618 a year ago. The USDA boxed beef cutout was down 22 cents at mid-session Wednesday and closed 87 cents lower at \$307.36. This was down from \$311.60 the previous week.

#### TODAY'S MARKET IDEAS:

December live cattle prices have been unable to extend after the strong rally Monday. Look for resistance at 179.50 but if prices are unable to move to the upside after the high-range close yesterday, selling may get more aggressive. Nearby support is 175.50. Look for an increase in volatility today due to the USDA supply/demand report.

#### 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) 09/12/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The next downside objective is now at 174.850. The next area of resistance is around 177.870 and 178.520, while 1st support hits today at 176.050 and below there at 174.850.

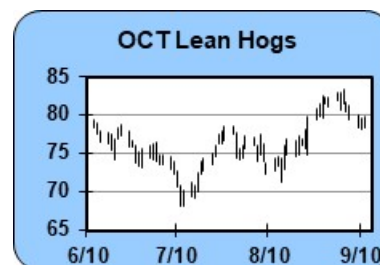
FEEDER CATTLE (OCT) 09/12/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. A positive signal was given by the outside day up. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 240.950. The next area of resistance is around 239.624 and 240.950, while 1st support hits today at 235.375 and below there at 232.450.

## DAILY HOGS COMMENTARY

9/12/2024

### Technical outlook remains bullish

Despite a significant jump in hog weights, December hogs closed near the highs of the day yesterday, supported by the cash hog premium to the futures. Open interest dropped for the last several sessions and may be an indication hogs may try and test the recent highs just above \$74.00. Fundamental headwinds remain in place with strong pork production and heavy weights; however, the bullish technical picture seems to be driving prices currently. USDA will release pork production estimates in today's USDA supply/demand report. Cash hog prices were mixed yesterday. Look for nearby support at 70.90 and resistance at 73.80. The average hog weight for Iowa-Southern Minnesota as of September 7 was 284.0 pounds, up from 280.7 pounds the previous week and up from 279 a year ago. The 5-year average is 278.8 pounds. The CME Lean Hog Index as of September 9 was 85.56 down from 85.74 the previous session and from 86.15 the previous week. The USDA estimated hog slaughter came in at 483,000 head Wednesday. This brings the total for the week so far to 1.453 million head, up from 971,000 last week at this time and up from 1.424 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$91.24, down \$3.07 from Tuesday and down from \$94.12 the previous week.



### TODAY'S MARKET IDEAS:

While last week's reversal down looks significant on the daily chart, December hogs may try to test that level once again if they can build on yesterday's strong close. If instead December moves back below this week's lows of 70.55, the technical picture would weaken significantly and point to a drop to retracement support at 68.80. For now, the technical uptrend remains in place.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/12/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is 78.150. The next area of resistance is around 80.370 and 80.720, while 1st support hits today at 79.120 and below there at 78.150.

## 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	176.950	45.26	44.38	46.56	46.14	176.34	177.51	177.32	180.98	181.95
FCV24	237.500	51.71	47.04	51.15	56.83	234.64	236.04	235.68	244.54	248.69
LHV24	79.750	52.12	54.30	66.89	57.95	79.15	80.64	79.70	76.60	76.15

Calculations based on previous session. Data collected 09/11/2024

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	174.820	176.020	176.670	177.870	178.520
FCV24	Feeder Cattle	232.450	235.374	236.700	239.624	240.950
LHV24	Lean Hogs	78.120	79.070	79.420	80.370	80.720

Calculations based on previous session. Data collected 09/11/2024

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