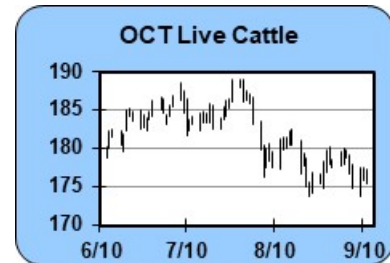




DAILY CATTLE COMMENTARY
9/13/2024

USDA raised beef production for the 2024 and 2025

Strong gains were seen across the cattle complex yesterday. The USDA supply/demand report increased the 2024 beef production estimate by 59 million pounds to 26.765 billion on heavier cattle weights and higher cow slaughter in the 2nd half of this year. Estimated beef production for 2025 was increased 180 million pounds to 25.625 billion on higher steer heifer slaughter and heavier carcass weights. Beef exports for 2024 and 2025 were raised on continued expected strength in global beef demand. Cattle prices are forecast lower for the 2nd half of 2024 and that is expected to carry into 2025. The latest USDA steer carcass weights were 933 pounds, up 2 pounds from last week and up 25 pounds above year ago. Yesterday, 90% lean beef was significantly lower and is expected to continue to trend down. December live cattle is nearing key resistance at 179.50 and the technical picture would strengthen if prices closed above that level. Cash cattle trade yesterday was reported at \$180 in the north and \$181 in the South and mostly steady with last week. With the futures rally yesterday, cash trade felt a little disappointing, but the market closed strong anyway. The 5-area, 5-day weighted average for the week is now 180.85, down from 181.27 last week. The USDA estimated cattle slaughter came in at 123,000 head Thursday. This brings the total for the week so far to 485,000 head, up from 376,000 last week at this time but down from 501,140 a year ago. The USDA boxed beef cutout was up 44 cents at mid-session Thursday and closed 18 cents lower at \$307.18. This was down from \$311.51 the previous week.



US beef export sales for the week ending September 5 came in at 11,400 tonnes compared with the average of the previous four weeks of 19,500 tonnes. Cumulative sales for the 11.4 have reached 683,500 tonnes, up 2.8% versus last year's pace.

TODAY'S MARKET IDEAS:

Notable price strength was seen yesterday in December live cattle and if prices move above last week's highs of 179.50, a further run to moving average resistance at 181.35 would be possible. Nearby support is 175.50. Fundamentals suggest selling on strength, however short-term technicals are pointing to further gains.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 09/13/2024: The daily stochastics gave a bullish indicator with a crossover up. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned

positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 179.570. The next area of resistance is around 178.800 and 179.570, while 1st support hits today at 177.250 and below there at 176.450.

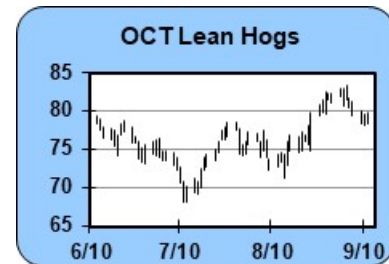
FEEDER CATTLE (OCT) 09/13/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 242.450. The next area of resistance is around 241.275 and 242.450, while 1st support hits today at 238.225 and below there at 236.350.

DAILY HOGS COMMENTARY

9/13/2024

USDA raised 2024 pork production but 2025 lower

December hogs pulled back slightly yesterday, and volatility was low. December remains just above the 20-day moving average which has offered support all week. USDA made only a few changes to the US supply demand balance sheets and increased 2024 pork production for the 4th quarter by 5%, the largest increase in 9 years. Estimated pork production for 2025 was lowered by 45 million pounds to 28.505 billion on slower than expected growth in carcass weights. Hog prices are forecast unchanged for 2024, but lower in the 1st half of 2025 due to stronger expected competition from poultry. Pork export sales were solid once again this week and good demand has been one of the reasons for the price rally recently. Look for key moving average support at 71.00, along with this week's low at 70.55. A breach of those levels could result in a quick acceleration lower. Major resistance remains at 73.75. The CME Lean Hog Index as of September 10 was 85.46 down from 85.56 the previous session and from 86.27 the previous week. The USDA estimated hog slaughter came in at 483,000 head Thursday. This brings the total for the week so far to 1.936 million head, up from 1.450 million last week at this time and up from 1.908 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$92.76, up \$1.52 from Wednesday but down from \$94.13 the previous week.



US pork export sales for the week ending September 5 came in at 29,700 tonnes compared with the average of the previous four weeks of 26,000 tonnes. Cumulative sales for the 2024 marketing year have reached 1,374,800 tonnes, down 1.7% versus last year's pace. Pork cutout at midsession was up 1.97 at 94.88.

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TODAY'S MARKET IDEAS:

The technical picture remains positive unless prices fall below Monday's low of 70.55 on December, which would turn the short-term trend lower and point to a drop to 68.80 retracement support. Significant upside resistance is at the 200-day moving average of 73.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/13/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the

intermediate-term trend could be turning down. The downside closing price reversal on the daily chart is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside target is now at 77.950. The next area of resistance is around 79.520 and 80.470, while 1st support hits today at 78.270 and below there at 77.950.

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	178.020	50.91	47.97	48.58	52.62	177.06	177.53	177.31	180.86	181.84
FCV24	239.750	57.46	51.16	56.95	68.56	236.84	236.38	235.89	244.21	248.30
LHV24	78.900	46.37	50.65	60.51	47.75	79.00	80.28	79.91	76.83	76.16

Calculations based on previous session. Data collected 09/12/2024

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	176.420	177.220	178.020	178.800	179.570
FCV24	Feeder Cattle	236.350	238.225	239.400	241.275	242.450
LHV24	Lean Hogs	77.920	78.250	79.200	79.520	80.470

Calculations based on previous session. Data collected 09/12/2024

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