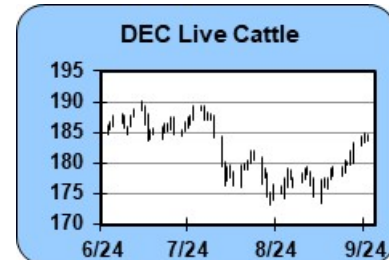


### DAILY CATTLE COMMENTARY

9/26/2024

#### Cutout weakness suggests steady/lower this week

Trading action in December live cattle yesterday was narrow and prices stayed inside Tuesday's trading range, closing slightly lower. The choice cutout was significantly lower late yesterday and weekly export sales this morning were underwhelming. Pasture conditions in the Plains will be deteriorating again as dry weather moves in for at least the next 2 weeks. December live cattle is overbought and if prices fall below moving average support at 183.10, a pullback to next support at 180.70 would be possible. For the 2nd day in a row, light cash trade in the north was reported yesterday at \$184,.50 below the trade on Tuesday. Weak cutout and fading profit margins for packers has cash ideas this week steady/weaker. The 5-area, 5-day weighted average for the week remains unchanged from yesterday at 183.95, compared to 183.93 at the end of last week. The USDA estimated cattle slaughter came in at 120,000 head Wednesday. This brings the total for the week so far to 363,000 head, down from 371,000 last week at this time and down from 379,888 a year ago. The USDA boxed beef cutout was down 88 cents at mid-session Wednesday and closed \$3.72 lower at \$298.17. This was down from \$301.38 the previous week.



Weekly export sales of 12,500 MT were down 24 percent from the previous week and 14 percent from the prior 4-week average. The destinations were primarily to South Korea (3,100 MT), Japan (2,600 MT), China (1,500 MT), Mexico (1,300 MT), and Taiwan (1,100 MT).

#### TODAY'S MARKET IDEAS:

Farm lobbies are urging President Biden to halt any US port workers strike but if the strike does occur, beef exports could take a hit. The rally since September 9th reached a little over \$11.00 and looks to be stalling. Stochastics is well into overbought territory and close to giving a sell signal. A lower close today could turn the market down for a pullback.

#### 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 (DEC) 09/26/2024: 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 objective is at 185.050. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 184.720 and 185.050, while 1st support hits today at 183.920 and below there at 183.420.

FEEDER CATTLE (NOV) 09/26/2024: The major trend could be turning up with the close back above the 60-day

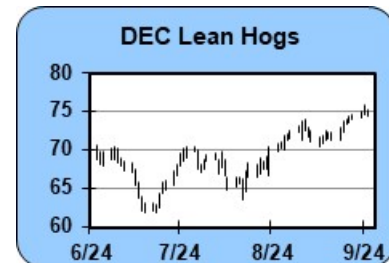
moving average. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 245.562. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 244.875 and 245.562, while 1st support hits today at 243.225 and below there at 242.263.

## DAILY HOGS COMMENTARY

9/26/2024

### Low range close on December warning sign for uptrend

This afternoon the Quarterly Hog and Pig report will be released along with Cold Storage. Expectations for all hogs and pigs is 100.2% of last year, kept for breeding 97.9% and kept for marketing 100.4%. The breeding herd is expected to be the smallest since 2016. Weekly export sales this morning were slightly under the average of the past month. However, with the US Dollar hovering near the lows of the year, pork exports should continue to stay strong and will be a supportive factor on pullbacks. Nearby moving average support stands at 73.05 on December. October is National Pork Month and grocery chains are likely to feature discounts on pork products. The CME Lean Hog Index as of September 23 was 84.21, down from 84.29 the previous session and from 84.22 the previous week. The USDA estimated hog slaughter came in at 486,000 head Wednesday. This brings the total for the week so far to 1.452 million head, up from 1.428 million last week at this time and up from 1.448 million a year ago. The USDA pork cutout, released after the close Wednesday, came in at \$92.34, down 28 cents from Tuesday and down from \$92.95 the previous week. The average hog weight for Iowa-Southern Minnesota as of September 21 was 283.4 pounds, down from 283.5 pounds the previous week and up from 280.3 a year ago. The 5-year average is 280.5 pounds.



Net sales of 28,000 MT for 2024 were down 3 percent from the previous week and 8 percent from the prior 4-week average. Increases were primarily for Mexico(13,000 MT, including decreases of 300 MT), Canada (3,300 MT, including decreases of 700 MT), China (2,700 MT), South Korea (2,500 MT, including decreases of 500 MT), and Colombia (1,900 MT, including decreases of 100 MT). Exports of 27,900 MT were down 11 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to Mexico (11,800MT), Japan (3,600 MT), China (3,000 MT), South Korea (2,000 MT), and Colombia (1,900 MT).

### TODAY'S MARKET IDEAS:

This afternoon's Hog and Pig and Cold Storage reports will set the tone for Friday's trade but with prices on an extended rally of more than \$12.00 since mid-August, a reasonable pullback is due. Nearby support is 73.05 and extended pullback support stands at 71.10. Stochastics are showing bearish divergence but have yet to give a sell signal but would likely do so on a lower close today. The potential of the longshoremen strike on the East Coast next week may limit any rally attempts today.

### 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 (DEC) 09/26/2024: Momentum studies are trending higher but have entered overbought levels. A

positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside target is at 75.750. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 75.320 and 75.750, while 1st support hits today at 74.470 and below there at 74.000.

## DAILY TECHNICAL STATISTICS

|                     | CLOSE   | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|---------------------|---------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>MEAT COMPLEX</b> |         |              |               |                           |                           |                |                |                 |                 |                 |
| LCZ24               | 184.320 | 75.75        | 65.94         | 89.97                     | 93.84                     | 183.94         | 181.49         | 179.40          | 180.08          | 181.66          |
| FCX24               | 244.050 | 74.64        | 63.67         | 91.49                     | 95.13                     | 242.99         | 240.06         | 236.72          | 239.24          | 243.97          |
| LHZ24               | 74.900  | 72.53        | 67.47         | 82.48                     | 84.84                     | 74.74          | 73.81          | 72.94           | 70.42           | 69.19           |

Calculations based on previous session. Data collected 09/25/2024

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> |               |           |           |         |          |          |
| LCZ24               | Live Cattle   | 183.400   | 183.900   | 184.220 | 184.720  | 185.050  |
| FCX24               | Feeder Cattle | 242.262   | 243.225   | 243.912 | 244.875  | 245.562  |
| LHZ24               | Lean Hogs     | 73.970    | 74.450    | 74.870  | 75.320   | 75.750   |

Calculations based on previous session. Data collected 09/25/2024

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.