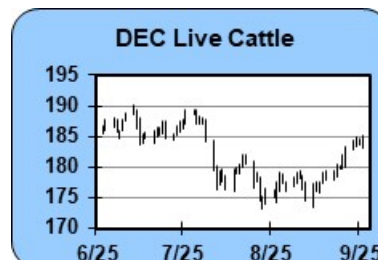


### DAILY CATTLE COMMENTARY

9/27/2024

#### Aggressive cash bids boost live cattle futures

December live cattle closed strong yesterday after gapping lower to start the day. Higher cash cattle trade in nearly all areas was a bit of a surprise and boosted futures buying. December live cattle had its highest close since July 31st. Nearby resistance is 185.50 and the strong close indicates a test of resistance could occur today. Live trade in the north was \$2-\$3 higher and \$2 higher in the South. The 5-area, 5-day weighted average for the week is now 184.20, up from 183.93 at the end of last week. Yesterday afternoon's cold storage report showed frozen beef stocks at the end of August were 395,186,000 pounds, down from 402,567,000 in July and near steady with August of last year at 395,402,000. The USDA estimated cattle slaughter came in at 124,000 head Thursday. This brings the total for the week so far to 487,000 head, down from 493,000 last week at this time and down from 504,007 a year ago. The USDA boxed beef cutout was down \$1.53 at mid-session Thursday and closed \$1.80 lower at \$296.37. This was down from \$299.56 the previous week.



U.S. beef export sales for the week ending September 19 came in at 10,100 tonnes compared with the average of the previous four weeks of 15,400 tonnes. Cumulative sales for the 10.1 have reached 709,100 tonnes, down 0.6% versus last year's pace.

#### TODAY'S MARKET IDEAS:

Packer margins are slipping into the red after higher cash trade surfaced in all areas Thursday. December live cattle bounced off the 100-day moving average support on the low yesterday morning and turned higher for its strongest close in nearly 2 months. August frozen beef stocks were lower than July. No further indication whether next week's longshoreman's strike is on or off. It appears yesterday's low at 183.00 is now key support and as long as that level holds, the uptrend remains intact.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (DEC) 09/27/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up and close above the previous day's high is a positive signal. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 186.550. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 185.870 and 186.550, while 1st support hits today at 183.770 and below there at 182.320.

FEEDER CATTLE (NOV) 09/27/2024: Daily stochastics have risen into overbought territory which will tend to

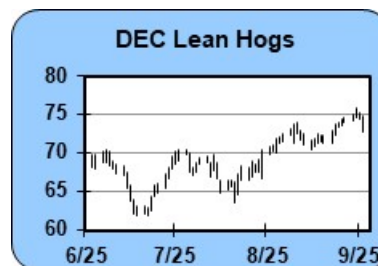
support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The outside day up is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 247.812. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 246.774 and 247.812, while 1st support hits today at 243.175 and below there at 240.613.

## DAILY HOGS COMMENTARY

9/27/2024

### Quarterly Hog and Pig report neutral

December hogs fell sharply in the 1st half of the session yesterday but halved the losses by the close. The September Hog and Pig report came in very close to the pre-report guesses and was considered neutral compared to expectations. June 1 hog and pig inventory was revised higher. Frozen US pork stocks in August were 453,641,000 lbs, near unchanged from July but 3.3% lower than August of last year at 469,243,000 lbs. The numbers are likely to have little effect on this morning's opening. December hogs touched 20-day moving average support on the low yesterday and did the same in mid-September followed by a resumption of the rally. Therefore, yesterday's low at 72.80 looks to be key support that needs to hold to keep the uptrend intact. A breach of that level would confirm a pullback. The CME Lean Hog Index as of September 24 was 84.05, down from 84.21 the previous session and from 84.22 the previous week. The USDA estimated hog slaughter came in at 486,000 head Thursday. This brings the total for the week so far to 1.938 million head, up from 1.891 million last week at this time and up from 1.934 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$93.05, up 71 cents from Wednesday but down from \$94.11 the previous week.



U.S. pork export sales for the week ending September 19 came in at 28,000 tonnes compared with the average of the previous four weeks of 30,500 tonnes. Cumulative sales for the 2024 marketing year have reached 1,431,800 tonnes, down 0.4% versus last year's pace.

### TODAY'S MARKET IDEAS:

USDA offered no surprises in the Quarterly Hog and Pig report and traders will quickly put it in the rearview mirror. The 20-day moving average has supported breaks over the last month and held the break again yesterday. Key support now sits at yesterday's low of 72.80 on December hogs. Stochastics gave a sell signal yesterday and are pointing lower. If US East Coast ports are shut down by a longshoreman strike next week, it would be a major headwind for hog prices as exports have been strong lately.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 09/27/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is

now at 71.800. The next area of resistance is around 74.950 and 75.970, while 1st support hits today at 72.870 and below there at 71.800.

### 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>										
LCZ24	184.820	77.32	67.20	91.69	95.12	184.34	182.19	179.80	180.03	181.61
FCX24	244.975	76.64	65.30	93.11	96.36	243.79	241.14	237.26	239.00	243.70
LHZ24	73.900	58.46	59.91	80.85	77.59	74.67	74.11	73.01	70.51	69.29

Calculations based on previous session. Data collected 09/26/2024

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	182.300	183.750	184.420	185.870	186.550
FCX24	Feeder Cattle	240.612	243.174	244.212	246.774	247.812
LHZ24	Lean Hogs	71.770	72.850	73.870	74.950	75.970

Calculations based on previous session. Data collected 09/26/2024

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