

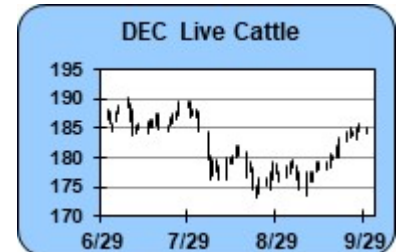
DAILY CATTLE COMMENTARY

10/1/2024

East Coast and Gulf port strike begins

December live cattle prices closed higher yesterday and anticipation of the longshoreman strike that began overnight at the East and Gulf Coast ports has been mostly ignored by the market. There is no doubt chilled beef shipments will be affected but fund inflows into commodity markets since the Fed rate cut 2 weeks ago has been offsetting any negative strike sentiment. Estimates are the strike will cost the US economy \$5 billion per day. Nearby December live cattle resistance remains at 185.50. Look for close-in pullback support is 183.00.

There was no reported cash trade any of the major feeding areas yesterday and the 5-area, 5-day weighted average remains at 186.05, unchanged from last week. Show list sizes this week are expected to be up 597 head in Texas to 86,242, down 6985 head in Kansas at 76,880 and up 1301 in Nebraska/Colorado to 66,452. The USDA estimated cattle slaughter came in at 119,000 head Monday. This was up from 118,000 last week but down from 123,125 a year ago. The USDA boxed beef cutout was up 78 cents at mid-session Monday and closed \$1.39 higher at \$298.08. This was down from \$301.81 the previous week.



TODAY'S MARKET IDEAS:

December live cattle is overbought but failed to close lower yesterday to confirm Friday's reversal down. This leaves important support at 183.00. A close above resistance at 185.50 would suggest a run to the July highs at 189.40. Packers may be tempted to cut kills this week to avoid paying up for cattle like they did last week.

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) 10/01/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 185.900. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 185.400 and 185.900, while 1st support hits today at 184.200 and below there at 183.470.

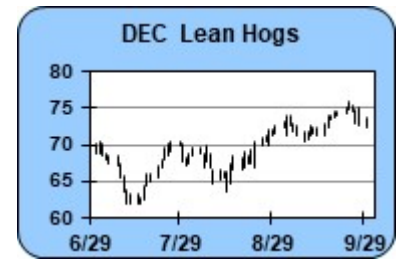
FEEDER CATTLE (NOV) 10/01/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 242.788. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 246.074 and 247.487, while 1st support hits today at 243.725 and below there at 242.788.

DAILY HOGS COMMENTARY

10/1/2024

Pork exports in jeopardy due to longshoremen strike

Longshoremen at East and Gulf Coast ports went on strike overnight and is difficult to see it any other way than bearish for pork exports and futures prices. Commodity fund inflows have been a supportive factor lately. For the 4th consecutive day, December hogs made a lower daily low yesterday but rebounded to close back above moving average support. If the pullback continues, more significant support stands at the 70.65-70.95 area. The CME Lean Hog Index as of September 26 was 84.03, down from 84.07 the previous session and from 84.36 the previous week. The USDA estimated hog slaughter came in at 485,000 head Monday. This was up from 479,000 last week but down from 487,294 a year ago. The USDA pork cutout, released after the close Monday, came in at \$95.23, up 38 cents from Friday and up from \$93.37 the previous week.



TODAY'S MARKET IDEAS:

December hogs have probed below the 20-day moving average support the last 2 days but have yet to close below it. The average today is 73.05 and a close below that level would likely push prices down to next support at 70.95. The port strike is a bearish factor, and a further pullback is likely.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/01/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 71.800. The next area of resistance is around 73.950 and 74.570, while 1st support hits today at 72.600 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
MEAT COMPLEX										
LCZ24	184.800	74.85	66.29	92.33	92.70	184.61	183.43	180.44	179.83	181.47
FCX24	244.900	72.31	63.80	93.30	92.43	244.91	243.00	238.30	238.50	243.12
LHZ24	73.270	50.91	55.40	71.66	61.30	73.87	74.19	73.02	70.65	69.48

Calculations based on previous session. Data collected 09/30/2024

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						
LCZ24	Live Cattle	183.450	184.170	184.670	185.400	185.900
FCX24	Feeder Cattle	242.787	243.724	245.137	246.074	247.487
LHZ24	Lean Hogs	71.770	72.570	73.170	73.950	74.570

Calculations based on previous session. Data collected 09/30/2024

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