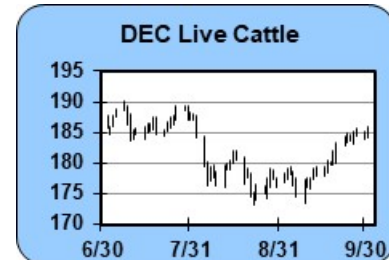


DAILY CATTLE COMMENTARY

10/2/2024

Longshoremen strike continues at East and Gulf Coast ports

December live cattle made new highs for the move yesterday but closed only slightly higher. Open interest has continued to rise over the last couple weeks as prices have rallied. Key moving average support is 183.20 on December. Strong ground beef prices have been a bullish factor for cattle this year, but prices have slipped lower lately. The longshoreman strike, upcoming US election and Mideast geopolitical concerns have heightened live cattle uncertainty and cattle hedgers may want to establish a price floor. Cash cattle prices were once again unestablished in the major feeding areas and the 5-area, 5-day weighted average remains where was at the end of last week at 186.05. The USDA estimated cattle slaughter came in at 124,000 head Tuesday. This brings the total for the week so far to 243,000 head, unchanged from last week at this time but down from 247,014 a year ago. The USDA boxed beef cutout was up \$2.10 at mid-session Tuesday and closed \$2.09 higher at \$300.17. This was down from \$301.89 the previous week.



TODAY'S MARKET IDEAS:

December live cattle uptrend remains intact with a new high for the move yesterday. But significant uncertainty due to the longshoreman strike, upcoming US election and global conflict concerns may result in long liquidation, especially with technical indicators in overbought territory. Cattle hedgers may consider utilizing put options for a price floor.

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) 10/02/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 183.220. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 186.120 and 187.050, while 1st support hits today at 184.220 and below there at 183.220.

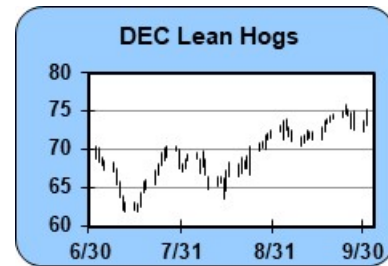
FEEDER CATTLE (NOV) 10/02/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 242.388. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 245.900 and 247.287, while 1st support hits today at 243.450 and below there at 242.388.

DAILY HOGS COMMENTARY

10/2/2024

Weekly kills falling below expectations

December hogs climbed back above the 200-day moving average yesterday, which was a bit of a surprise with the ongoing longshoreman strike. Perhaps, traders are more worried about beef and pork imports being affected by the strike, rather than exports. Despite profitable packer margins, weekly kills have not been as high as expected and prices are reflecting that fact. Nearby resistance on December stands at 75.80 and moving average support at 73.10. The CME Lean Hog Index as of September 27 was 84.01, down from 84.03 the previous session and from 84.29 the previous week. The USDA estimated hog slaughter came in at 486,000 head Tuesday. This brings the total for the week so far to 971,000 head, up from 966,000 last week at this time and up from 970,715 a year ago. The USDA pork cutout, released after the close Tuesday, came in at \$95.83, up 60 cents from Monday and up from \$92.62 the previous week.



TODAY'S MARKET IDEAS:

After holding 20-day moving average support for several days, December prices shot higher yesterday and closed strong. If prices breakout above last week's highs of 75.80, December could test 77.00. Pullback support stands at 73.10 and a close below that level would suggest a pullback has begun.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (DEC) 10/02/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The next downside target is 72.300. The next area of resistance is around 75.650 and 76.520, while 1st support hits today at 73.550 and below there at 72.300.

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	185.170	76.32	67.36	92.15	91.78	184.82	184.02	180.91	179.77	181.44
FCX24	244.675	70.64	63.01	92.04	89.52	245.06	243.73	239.02	238.28	242.86
LHZ24	74.600	63.00	62.07	69.56	65.36	73.79	74.27	73.16	70.80	69.62

Calculations based on previous session. Data collected 10/01/2024

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	183.200	184.200	185.120	186.120	187.050
FCX24	Feeder Cattle	242.387	243.450	244.837	245.900	247.287
LHZ24	Lean Hogs	72.270	73.520	74.400	75.650	76.520

Calculations based on previous session. Data collected 10/01/2024

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