

Carlsquare/Vontobel weekly trading note: Live cattle look promising for 2025

Tight cattle supply due to increased production efficiency, combined with a normal rise in prices during the spring season, makes the outlook for the first half of 2025 promising in this defensive case. The USDA also lowered its 2025 beef production forecast in December. Further gains in equities are currently being held back by higher US and German government bond yields. Our technical analysis shows a sell signal on the MACD for the S&P500, while the DAX continues to show strength.

At the start of 2025, cattle prices have continued to rise on the back of tight supplies and Trump's victory in the US presidential election. The typical seasonal pattern is for prices to rise in the spring and peak during the summer barbecue season. The cattle cycle, as described by the CME Group, suggests that prices will remain elevated into 2025 as supply takes time to readjust to demand. The reduced number of animals is partly because cattle farming is more efficient than ever.

After a very strong year for stock markets in 2024, there was no energy left for a December rally. Equity markets have also had a weak start to 2025, which is usually a seasonally strong period. One possible explanation is that US and German ten-year government bond yields have risen by 48 and 42 basis points respectively over the past month.

We see a sell signal on the MACD for the S&P500. The question is whether this will also affect the DAX, which has been showing strength so far.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

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