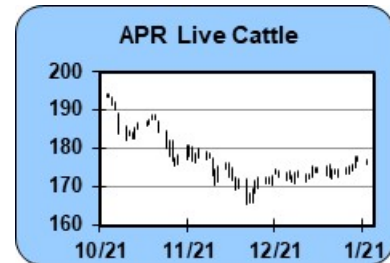




DAILY CATTLE COMMENTARY
1/23/2024

Impressive bounce yesterday, lower supply coming.

Milder weather conditions for the US Plains states and a recovery in cattle slaughter could limit further gains, but shipping delays through the Red Sea make it more costly to ship beef from Australia to Europe and the Middle East, and this could improve US beef export prospects. April cattle finished Monday with a moderate loss, but they managed a significant bounce off the day's lows. The USDA estimated cattle slaughter came in at 115,000. This was up from 112,000 last week but down from 122,981 a year ago. The USDA boxed beef cutout was up \$2.31 at mid-session and closed \$3.17 higher at \$298.67. This was up from \$291.42 the previous week and was the highest it had been since November 30. Cash live cattle were quiet with no trade reported. The five-area weighted average steer price last week was \$173.76, up from \$173.47 the previous week and \$155.32 a year ago. Friday's Cattle on Feed report came in right at expectations, but it also confirmed a drop in placements for December from year-ago levels, which could be viewed as supportive to the deferred contracts.



TODAY'S MARKET IDEAS:

Monday's bounce in April cattle was impressive, and placements for December at 95.5% of last year point to lower supply later this year. The market needs a close above 178.525 to keep the uptrend intact. Look for support at 175.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (APR) 01/23/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 178.170. The next area of resistance is around 177.600 and 178.170, while 1st support hits today at 176.200 and below there at 175.350.

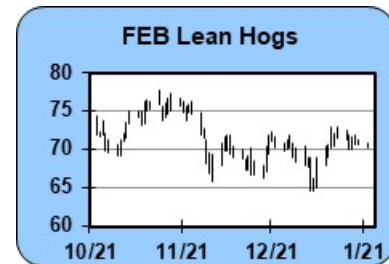
FEEDER CATTLE (MAR) 01/23/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 234.356. The next area of resistance is around 233.012 and 234.356, while 1st support hits today at 229.538 and below there at 227.407.

DAILY HOGS COMMENTARY

1/23/2024

Milder conditions could boost pork supply.

April hogs are chopping around inside a recent consolidation, but the market may struggle to mount an extension of the rally that began the year. A turn towards milder conditions across the US should help weight gain and keep production firm. The USDA estimated hog slaughter came in at 492,000 head yesterday. This was up from 378,000 last week but down from 493,684 a year ago. The China Agriculture Ministry said today that it will guide farmers to reduce hog production capacity as it steps up its regulation of the industry. This comes after an aggressive expansion led to oversupply and heavy losses. Herd liquidation has driven China's pork production to its highest level in nine years. The Minister said that at the end of December the herd was down 2.5 million head from the previous year to 41.42 million but that the numbers were still too high, and that destocking would continue for the next 1-2 months. This could pressure global pork prices and limit US export prospects. However, hog prices in China have recovered this week. Today, their national average spot pig price was up 3.2% from yesterday, 4.2% for the week, and up 1.3% year to date. The CME Lean Hog Index as of January 18 was 68.06, up from 67.87 the previous session and 66.48 the previous week. The USDA pork cutout, released after the close yesterday, came in at \$88.72, up \$1.47 from Friday and up from \$85.56 the previous week. This was the highest it had been since November 6.



TODAY'S MARKET IDEAS:

A key resistance level April hogs comes in at the 100-day moving average, currently around 79.47, which has held the market since September. A failure to test that level could result in a steep selloff. Look for initial support at 76.72.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 01/23/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Rising stochastics at overbought levels warrant some caution for bulls. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside objective is at 79.070. The next area of resistance is around 78.270 and 79.070, while 1st support hits today at 76.970 and below there at 76.450.

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										
LCJ24	176.900	65.58	58.98	81.59	85.17	176.89	175.42	174.43	173.73	176.05
FCH24	231.275	67.76	61.30	83.89	84.40	231.39	228.94	226.95	224.20	227.26
LHJ24	77.620	51.99	51.76	81.04	81.29	78.05	78.32	76.68	77.02	77.83

Calculations based on previous session. Data collected 01/22/2024
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						
LCJ24	Live Cattle	175.320	176.170	176.750	177.600	178.170
FCH24	Feeder Cattle	227.406	229.537	230.881	233.012	234.356
LHJ24	Lean Hogs	76.420	76.950	77.750	78.270	79.070

Calculations based on previous session. Data collected 01/22/2024
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