



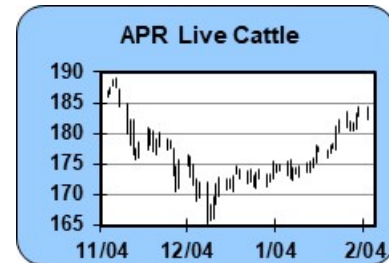
DAILY LIVESTOCK COMMENTARY Tuesday February 06, 2024

DAILY CATTLE COMMENTARY 2/6/2024

Price turn down from resistance

April cattle futures reversed lower yesterday after hitting the important 200-day moving average resistance. The reversal down comes after a nearly \$20 rally since early December without much of any correction during that span. Packers should find adequate supplies of ready cattle this week and are unlikely to be aggressive bidders. Although, the tight cattle numbers will be with us for some time, yesterday's turn lower may be the start of a reasonable correction.

The USDA estimated cattle slaughter came in at 125,000 head yesterday. This was unchanged from last week but up from 118,528 a year ago. The USDA boxed beef cutout was unchanged at mid-session yesterday and closed 40 cents higher at \$293.48. This was down from \$299.42 the previous week. Cash live cattle were quiet on Monday with no trade reported. The five-area weighted average steer price last week was \$177.80, up from \$175.44 the previous week and \$158.17 a year ago.



Friday's Commitments of Traders showed managed money traders were net buyers of 10,004 contracts of live cattle for the week ending January 30, increasing their net long to 27,171. This was well below the 100,000 net long they were in September, indicating there is more buying power left for the funds.

TODAY'S MARKET IDEAS:

Monday's high at 184.47 on April will be important key resistance now that the market has reversed lower. Stochastics turned lower after bearish divergence and next support will be 180.25.

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 (APR) 02/06/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day down is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 180.650. The next area of resistance is around 183.450 and 185.070, while 1st support hits today at 181.250 and below there at 180.650.

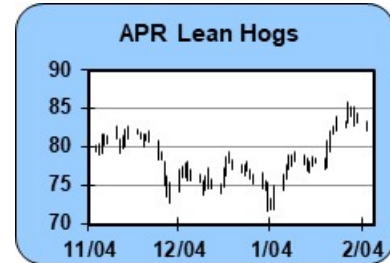
FEEDER CATTLE (MAR) 02/06/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's

short-term trend is positive on the close above the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 239.963. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 244.475 and 246.862, while 1st support hits today at 241.025 and below there at 239.963.

DAILY HOGS COMMENTARY
2/6/2024

Dollar rally hurts US export prospects.

April hogs extended the break lower yesterday on technical selling and important 200-day moving average support comes in today at 81.80. The strong US Dollar to start the week is a negative for US exports and prices could see a pullback down to major support at 79.50 if the bear camp gets more aggressive. China's national average spot pig price as of February 6 was down 0.07% from the previous day. For the week prices are down 2.43%, down 7.51% for the month and up 6.19% year to date and up 6.49% versus a year ago. The CME Lean Hog Index as of February 1 was 73.12, up from 72.71 the previous session and 69.90 the previous week. The USDA estimated hog slaughter came in at 492,000 head yesterday. This was up from 490,000 last week and up from 478,106 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$86.95, down 31 cents from Friday and down from \$87.50 the previous week.



Friday's Commitments of Traders report showed managed money traders were net buyers of 22,553 contracts of hogs for the week ending January 30, increasing their net long to 25,036. The buying trend is short-term positive.

TODAY'S MARKET IDEAS:

The US Dollar strength remains a strong headwind for hogs and prices may continue the break beyond near-term support at 81.80 on April. A break of 81.80 would suggest a test of longer term, which stands at 79.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/06/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 81.150. The next area of resistance is around 82.850 and 83.800, while 1st support hits today at 81.520 and below there at 81.150.

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
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MEAT COMPLEX

LCJ24	182.320	66.61	65.11	87.35	86.32	182.49	181.52	178.70	174.75	175.35
FCH24	242.750	70.86	69.07	90.34	88.96	243.14	240.46	235.19	226.93	227.32
LHJ24	82.200	55.20	57.89	82.64	74.72	83.65	83.42	80.97	78.09	78.40

Calculations based on previous session. Data collected 02/05/2024

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	180.620	181.220	182.850	183.450	185.070
FCH24	Feeder Cattle	239.962	241.024	243.412	244.475	246.862
LHJ24	Lean Hogs	81.120	81.500	82.450	82.850	83.800

Calculations based on previous session. Data collected 02/05/2024

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