



DAILY LIVESTOCK COMMENTARY

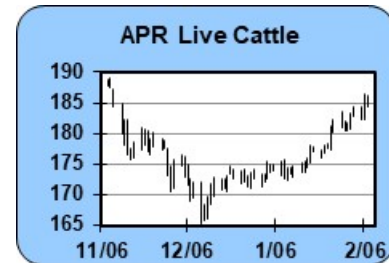
Thursday February 08, 2024

DAILY CATTLE COMMENTARY

2/8/2024

Packer margins weakening

Yesterday, April cattle saw no follow through from Tuesday's surprising strength. Falling packer margins may keep cash bids relatively soft this week. April prices have retraced more than 62% of the pullback from the September highs to the December lows and due a correction. The USDA estimated cattle slaughter came in at 126,000 head yesterday. This brings the total for the week so far to 376,000 head, down from 379,000 last week at this time but up from 367,307 a year ago. The USDA boxed beef cutout was up \$1.39 at mid-session yesterday and closed 91 cents higher at \$294.98. This was up from \$294.54 the previous week. The previous low was \$294.07 on February 6. The previous high was \$296.07 on January 30. Cash cattle trade was very light on Wednesday. The only region that reported sales was Iowa/Minnesota, which had 331 head trading at 168-176 with an average price of 168.82. This was down from an average of 177.52 last week, but the volume was too low for an adequate test. The 5-area, 5-state weighted average is 177.85.



TODAY'S MARKET IDEAS:

Since early December April prices have rallied a little over \$21 without much of a correction. Bullish fundamentals have driven the bounce, but a reasonable correction is due. Gap resistance on April futures stands at 187.30-187.55.

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) 02/08/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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 positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 183.200. The next area of resistance is around 185.720 and 186.870, while 1st support hits today at 183.900 and below there at 183.200.

FEEDER CATTLE (MAR) 02/08/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down.

LCJ24	184.800	68.74	67.29	87.94	87.56	184.24	182.83	179.96	175.31	175.56
FCH24	245.550	72.13	70.42	90.53	89.89	244.94	242.72	237.34	228.10	227.82
LHJ24	81.100	47.53	52.78	70.83	58.63	82.09	83.17	81.21	78.28	78.42

Calculations based on previous session. Data collected 02/07/2024

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	183.170	183.870	185.020	185.720	186.870
FCH24	Feeder Cattle	242.900	243.950	246.100	247.150	249.300
LHJ24	Lean Hogs	79.550	80.070	81.570	82.100	83.600

Calculations based on previous session. Data collected 02/07/2024

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