

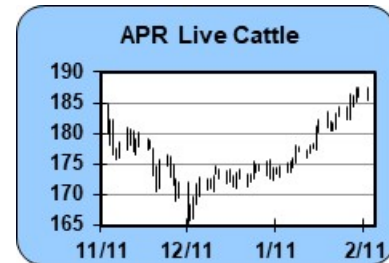


DAILY LIVESTOCK COMMENTARY Tuesday February 13, 2024

DAILY CATTLE COMMENTARY 2/13/2024

Strong cash trade fails to support futures

Last week's cash cattle trade was the highest since early November and has firmed for 4 consecutive weeks. However, the current uptrend is beginning to weaken after Monday's filling of the chart gap from back in November and subsequent turn lower. Chain speeds will likely slow this week as packers try and reduce kills to manage supplies. The path of least resistance looks lower with close-in moving average support at 184.40 on April and below that 181.40. There was no cash trade yesterday and the 5 area, five-day weighted average is 180.99. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was down from 125,000 last week and down from 123,534 a year ago. The USDA boxed beef cutout was up 89 cents at mid-session yesterday and closed 4 cents higher at \$294.08. This was up from \$293.48 the previous week.



Friday's Commitments of Traders report showed managed money traders were net buyers of 8,917 contracts of live cattle for the week ending February 6, increasing their net long to 36,088.

TODAY'S MARKET IDEAS:

April cattle turned lower Monday, despite Friday's cash trade being the highest in more than 3 months. Although the backdrop of tighter supplies remains, the technical picture points to a correction. 1st support on April futures is 184.40 and if prices decide to retrace the larger uptrend since early December, a fall to at least 179.00 could be seen.

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) 02/13/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 184.200. The next area of resistance is around 186.950 and 188.270, while 1st support hits today at 184.920 and below there at 184.200.

FEEDER CATTLE (MAR) 02/13/2024: The daily stochastics have crossed over up which is a bullish indication. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The

close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 251.462. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 250.225 and 251.462, while 1st support hits today at 247.425 and below there at 245.863.

DAILY HOGS COMMENTARY
2/13/2024

Breaks may find good support

Although April hogs ended near steady yesterday, the recent 2-week pullback is likely to find support on seasonal tightening of supplies and an uptick in demand. The turn higher in late January ended the nearly year-long downtrend and technical support should now be evident on pullbacks. The CME Lean Hog Index as of February 8 was 73.60, down from 74.00 the previous session but up from 73.12 the previous week. The USDA estimated hog slaughter came in at 491,000 head yesterday. This was up from 487,000 last week and up from 481,588 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$87.79, up \$2.46 from Friday and up from \$86.95 the previous week. Key support in April remains at 79.67, with retracement resistance at 82.80 and 83.55.



TODAY'S MARKET IDEAS:

The technical picture turned higher back in late January and the recent 2-week pullback may be a buying opportunity. Pork supplies should begin to seasonally tighten offering some fundamental support as well. Nearby resistance is 82.80, and key support rests at last week's lows of 79.67.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/13/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 79.720. The next area of resistance is around 81.800 and 82.450, while 1st support hits today at 80.450 and below there at 79.720.

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	185.920	68.10	67.34	88.82	88.34	186.01	184.45	181.86	176.45	175.99
FCH24	248.825	77.62	74.22	90.20	90.82	247.09	245.29	240.48	230.32	228.70

LHJ24 81.120 48.78 52.75 53.69 42.68 80.93 82.18 81.68 78.57 78.36

Calculations based on previous session. Data collected 02/12/2024

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	184.170	184.900	186.220	186.950	188.270
FCH24	Feeder Cattle	245.862	247.425	248.662	250.225	251.462
LHJ24	Lean Hogs	79.700	80.420	81.070	81.800	82.450

Calculations based on previous session. Data collected 02/12/2024

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