



DAILY LIVESTOCK COMMENTARY

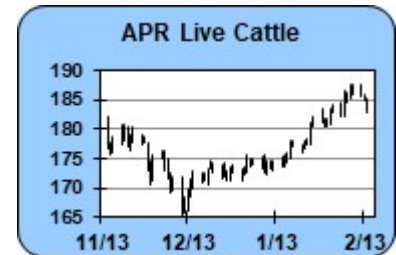
Thursday February 15, 2024

DAILY CATTLE COMMENTARY

2/15/2024

Cash cattle prices fall for the first time in a month.

April cattle sold off hard yesterday and traded to their lowest level since February 6. Poor packer margins and the futures' lackluster reaction to higher cash cattle prices last week suggested that a correction of the rally off the December low had begun. The beginning of Lent also pointed to lower beef consumption. Cash live cattle trade was active yesterday at lower prices than last week. There were 20,291 head reported across the five regions at \$179.83, down from \$181.15 on Friday, the peak trade day last week. The average price had increased \$7.68 over the previous four weeks. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week to 363,000, down from 376,000 last week and 372,000 a year ago. The USDA boxed beef cutout was up 18 cents at mid-session yesterday and closed \$1.73 higher at \$294.00. This was down from \$294.98 the previous week.



TODAY'S MARKET IDEAS:

April cattle fell below the 200-day moving average yesterday, and that level, 184.375, could be a key bull/bear line today. Look for support at 181.775 with resistance at 184.975. If prices decide to retrace the uptrend from 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) 02/15/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 181.700. The next area of resistance is around 185.150 and 186.270, while 1st support hits today at 182.870 and below there at 181.700.

FEEDER CATTLE (MAR) 02/15/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below 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 241.250. The next area of resistance is around 248.650 and 250.950, while 1st support hits today at 243.800 and below there at 241.250.

DAILY HOGS COMMENTARY

2/15/2024

Market looks set to resume its 2024 rally.

April hogs had a big range-up day yesterday after gapping higher on the open, and they reached their highest level since February 1. The market appears to have finished its two-week correction and is poised to resume its 2024 rally. The Iowa/Southern Minnesota average hog weight was 288.7 pounds as of February 10, down from 290.8 the previous week but up from 285.6 a year ago. Hog weights tend to decline this time of year, which can help tighten supply. The CME Lean Hog Index as of February 12 was 74.11, up from 73.70 the previous session and 73.86 the previous week. The USDA estimated hog slaughter came in at 489,000 head yesterday. This brings the total for the week so far to 1.466 million head, unchanged from last week but up from 1.441 million a year ago. The USDA pork cutout came in at \$85.02 yesterday, down \$1.20 from Tuesday but up from \$82.96 the previous week. US Agriculture Secretary Tom Vilsak said yesterday there would be "chaos" in the meat market without Congressional action on California's Prop 12 law that tightened animal welfare requirements for pork products sold in the state.



TODAY'S MARKET IDEAS:

Lower hog weights verify expectations of seasonal supply tightening. Yesterday's rally in April hogs has left the January high at 85.92 in the market's sights. A move above there would leave the next resistance at 89.00. Look for support at 84.02 and 83.02.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/15/2024: A bullish signal was given with an upside crossover of the daily stochastics. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 87.220. The next area of resistance is around 86.250 and 87.220, while 1st support hits today at 82.800 and below there at 80.300.

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	184.000	56.03	59.45	83.41	75.63	185.44	185.03	182.64	177.20	176.18
FCH24	246.225	64.12	66.07	88.60	85.28	247.55	246.31	242.13	231.81	229.21
LHJ24	84.520	69.29	65.31	48.42	49.03	81.97	81.84	82.18	78.90	78.41

Calculations based on previous session. Data collected 02/14/2024

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	181.670	182.850	183.970	185.150	186.270
FCH24	Feeder Cattle	241.250	243.800	246.100	248.650	250.950
LHJ24	Lean Hogs	80.270	82.770	83.750	86.250	87.220

Calculations based on previous session. Data collected 02/14/2024

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