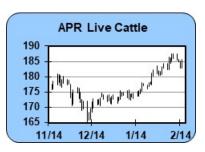


DAILY LIVESTOCK COMMENTARY Friday February 16, 2024

DAILY CATTLE COMMENTARY 2/16/2024

Boxed beef reversal raises demand hopes.

April cattle reversed yesterday and closed back above the 200-day moving average after closing below it the previous day, as a turnaround in boxed beef prices seemed to offset concerns that low packer margins would slow cattle buying. The USDA boxed beef cutout was up \$1.19 at mid-session yesterday and closed \$1.30 higher at \$295.30. This was up from \$295.01 the previous week and was the highest it had been since January 30. The weekly export sales report showed US beef sales for the week ending February 8 at 16,634 tonnes, down from 20,631 the previous week and below the four-week average of 19,080. Cumulative



sales for 2024 have reached 229,900 tonnes, down from 269,300 a year ago and the lowest for this point in the year since 2019. The largest buyer this week was Japan at 4,070 tonnes, followed by China at 3,729 and South Korea at 3,230. South Korea has the most commitments for 2024 at 67,800 tonnes, followed by Japan at 48,700 and China at 38,000. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 486,000 head, down from 501,000 last week and 496,000 a year ago. Cash live cattle traded in moderate volume yesterday at an average price of \$180.00 versus an average of \$181.85 for last week.

TODAY'S MARKET IDEAS:

April cattle bounced off moving average support yesterday, and they could be tempted to test Monday's high at 187.575. However, the slow demand season may limit that market's ability to build on its gains. A break below 182.60 could set the stage for a more substantial correction of the December-February rally and leave an initial target of 179.20.

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) 02/16/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. Market positioning is positive with the close over the 1st swing resistance. The next downside target is now at 182.100. The next area of resistance is around 187.000 and 187.720, while 1st support hits today at 184.200 and below there at 182.100.

FEEDER CATTLE (MAR) 02/16/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish

posture. The next downside target is 243.069. The next area of resistance is around 248.762 and 249.718, while 1st support hits today at 245.438 and below there at 243.069.

DAILY HOGS COMMENTARY 2/16/2024

Pork export sales highest since December 2022.

April hogs extended their rally yesterday and came close to taking out the January high at 85.92 but backed off from that level. Closing above there would leave the next upside target at 89.00. The US export sales report came in very strong for the second straight week. The report showed US pork sales for the week ending February 8 at 74,569 tonnes, up from 71,855 the previous week and the highest since December 2022. Cumulative sales for 2024 have reached 465,500 tonnes, up from 393,700 a year ago but below the five-year average of 510,100. The largest buyer this week was Mexico at 24,968 tonnes,



followed by China at 19,537 and Japan at 9,133. Mexico has the most commitments for 2024 at 133,700 tonnes, followed by South Korea at 84,300, China at 62,900, and Japan at 59,000. The USDA pork cutout, released after the close yesterday, came in at \$88.57, up \$3.54 from Wednesday and \$85.26 the previous week. This was the highest it had been since January 22. The CME Lean Hog Index as of February 13 was 74.60, up from 74.11 the previous session and 74.02 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 1.955 million head, down from 1.957 million last week but up from 1.914 million a year ago.

TODAY'S MARKET IDEAS:

Key resistance for April hogs comes in at 85.92, and a move above there would leave the next resistance at 89.00. Look for support at 84.32 and 83.45.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/16/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next upside objective is 86.220. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 85.550 and 86.220, while 1st support hits today at 84.450 and below there at 84.000.

DAILY TECHNICAL STATISTICS

MEAT COMPLEX									
CLOSE	RSI	RSI	STOCH D	STOCH K	M AVG	M AVG	M AVG	M AVG	M AVG
	9 DAY	14 DAY	SLOW	SLOW	4 DAY	9 DAY	18 DAY	45 DAY	60 DAY

14 DAV

44 DAV

LCJ24	185.570	62.55	63.41	80.52	74.74	185.16	185.24	183.13	177.51	176.30
FCH24	247.100	66.41	67.40	86.70	82.92	247.54	246.57	243.01	232.44	229.48
LHJ24	85.000	71.10	66.64	52.34	60.18	82.93	81.98	82.59	79.12	78.47

Calculations based on previous session. Data collected 02/15/2024 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	182.070	184.170	184.900	187.000	187.720		
FCH24	Feeder Cattle	243.068	245.437	246.393	248.762	249.718		
LHJ24	Lean Hogs	83.970	84.420	85.100	85.550	86.220		

Calculations based on previous session. Data collected 02/15/2024 Data sources can & do produce bad ticks. Verify before use.

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