



DAILY LIVESTOCK COMMENTARY

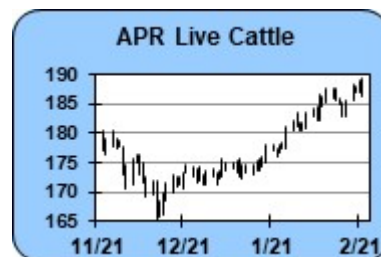
Friday February 23, 2024

DAILY CATTLE COMMENTARY

2/23/2024

Choppy action ahead of Cattle on Feed.

April cattle reversed lower yesterday after trading to their highest level since November 3 earlier in the session. We expect more consolidation today ahead of this afternoon's Cattle on Feed Report. For the report, analyst polls show average trade expectations for January placements around 88% of a year ago, with a range of expectations from 81.6% to 94.0%. Marketings are expected at 99.8% (range 98.6%-100.3%), and February 1 on feed supply at 100.1% (range 99.4%-101.1%). Traders will be watching the placements number closely. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 472,000 head, down from 486,000 last week and 473,476 a year ago. The USDA boxed beef cutout was up \$1.39 at mid-session yesterday and closed \$1.99 higher at \$299.79. This was up from \$295.30 the previous week and was the highest it had been since January 26. Cash live cattle have trade has been light this week, too light for an adequate test.



TODAY'S MARKET IDEAS:

If the placements number in this afternoon's on-feed report comes in much above expectation, April cattle may see a brief setback, but the record low inventory numbers from January are difficult to deny. Look for support at 184.70, followed by 182.825, with resistance at 189.025 and 190.70.

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) 02/23/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. A negative signal was given by the outside day down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 184.170. The next area of resistance is around 188.020 and 190.100, while 1st support hits today at 185.070 and below there at 184.170.

FEEDER CATTLE (APR) 02/23/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is 253.407. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 258.462 and 260.456, while 1st support hits today at 254.938 and below there at 253.407.

DAILY HOGS COMMENTARY

2/23/2024

Strong packer demand lifting market.

Another spike higher in April hogs sent prices to their highest level since June 27 yesterday. Packer interest is strong as evidenced by the slaughter pace this week, even after the holiday on Monday. The USDA estimated hog slaughter came in at 490,000 head yesterday. This brings the total for the week so far to 1.960 million head, up from 1.955 million last week and 1.724 million a year ago. The CME Lean Hog Index as of February 20 was 77.97, up from 76.80 the previous session and 74.60 the previous week. The USDA pork cutout, released after the close yesterday, came in at \$90.92, up \$1.30 from Wednesday and up from \$88.35 the previous week. US pork export sales for the week ending February 15 came in at 28,902 tonnes, down from 33,691 the previous week and the lowest since January 18. Accumulated exports of pork were adjusted down 19,286 tonnes to China and 18,878 to Mexico for week ending February 8. The USDA had indicated that there was an error in last week's report, and that a revision was expected. We suspect that this revision will upset the market today. market-mover



TODAY'S MARKET IDEAS:

Resistance for April hogs comes in at 89.00. The market is approaching overbought levels on the daily chart after its 24% rally since the start of the year. The weekly charts show the next upside objective at 93.82, the 50% retracement of the decline from the 2021 high to last month's low.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK 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.

LEAN HOGS (APR) 02/23/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 90.300. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 88.700 and 90.300, while 1st support hits today at 85.700 and below there at 84.270.

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	186.550	60.58	62.42	80.49	77.21	187.28	186.28	184.83	178.88	176.99
FCJ24	256.700	75.83	73.45	83.30	83.23	255.38	253.12	251.09	240.39	235.79
LHJ24	87.200	79.35	72.78	71.61	79.06	86.02	84.11	83.48	79.97	78.98

Calculations based on previous session. Data collected 02/22/2024

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	184.150	185.050	187.120	188.020	190.100
FCJ24	Feeder Cattle	253.406	254.937	256.931	258.462	260.456
LHJ24	Lean Hogs	84.250	85.670	87.270	88.700	90.300

Calculations based on previous session. Data collected 02/22/2024

Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.