



DAILY LIVESTOCK COMMENTARY

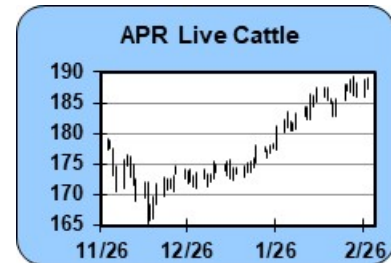
Wednesday February 28, 2024

DAILY CATTLE COMMENTARY

2/28/2024

Texas wildfires threaten cattle grazing.

Wildfires in the Texas High Plains and in Oklahoma raise new concerns about the US cattle supply. US inventories are already low, and dry pasture conditions discourage expansion. Texas Governor Abbott has declared disaster areas in 60 counties, and the fires were expected to worsen overnight. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 247,000, up from 229,000 last week but down from 250,000 a year ago. The USDA boxed beef cutout was 5 cents lower yesterday at \$301.74, but it was up from \$297.37 the previous week. Cash live cattle trade was quiet yesterday.



TODAY'S MARKET IDEAS:

Wildfires in Texas may support cattle higher prices today on ideas that dry conditions will discourage expansion in the industry. A resumption in the uptrend would leave the next upside target in April cattle at 190.70. Look for support at 185.850.

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) 02/28/2024: 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. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 186.150. The next area of resistance is around 188.650 and 189.820, while 1st support hits today at 186.820 and below there at 186.150.

FEEDER CATTLE (APR) 02/28/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 262.031. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 260.437 and 262.031, while 1st support hits today at 257.463 and below there at 256.082.

DAILY HOGS COMMENTARY

2/28/2024

Consolidating gains as packer margins are still positive.

April hogs are consolidating after reaching an eight-month high late last week. The market had gotten short term overbought after climbing 17.20 (24%) from its contract low on January 2. Packer margins have slipped over the past week, but they are still in the black, and this could support additional buying. The USDA estimated hog slaughter came in at 481,000 head yesterday. This brings the total for the week so far to 983,000, up from 980,000 last week at this time and up from 971,000 a year ago. The CME Lean Hog Index as of February 23 was 79.46, up from 79.10 the previous session and 75.75 the previous week. The USDA pork cutout, released after the close yesterday, came in at \$90.40, up 52 cents from Monday but down from \$91.48 the previous week.



TODAY'S MARKET IDEAS:

April hogs have held above support at the 0.382 retracement of the February rally, and that level, 84.37, acts as initial support. Additional retracement support levels include 84.30 and 83.20. Look for resistance at 87.17 and 88.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/28/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 85.120. The next area of resistance is around 86.370 and 87.050, while 1st support hits today at 85.420 and below there at 85.120.

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	187.700	63.68	64.36	79.72	79.23	187.57	186.94	185.94	179.85	177.69
FCJ24	258.950	75.15	73.60	86.54	87.40	258.63	255.46	253.32	242.41	237.49
LHJ24	85.900	63.86	64.01	74.72	73.65	86.64	85.89	83.82	80.55	79.55

Calculations based on previous session. Data collected 02/27/2024

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	186.120	186.800	187.970	188.650	189.820
FCJ24	Feeder Cattle	256.081	257.462	259.056	260.437	262.031
LHJ24	Lean Hogs	85.100	85.400	86.070	86.370	87.050

Calculations based on previous session. Data collected 02/27/2024

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