



DAILY LIVESTOCK COMMENTARY

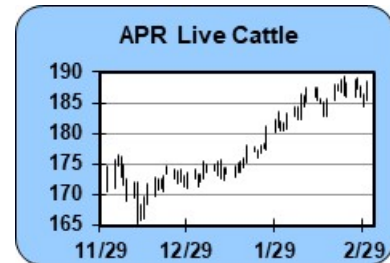
Monday March 04, 2024

DAILY CATTLE COMMENTARY

3/4/2024

Beef and cash cattle prices remain firm.

April cattle have continued their nearly month-long consolidation. US beef and live cattle prices are firm, and beef production continues to lag year ago levels, at that provides underlying support to the futures. The USDA boxed beef cutout came in at \$305.28 on Friday, up \$1.08 from on Thursday and up from \$300.61 the previous week. This was the highest it had been since October 30. Cash live cattle were around 50 cents higher last week. As of Friday afternoon, the five-day, five-area weighted average price was \$183.12, up from \$182.91 the previous week. The USDA estimated cattle slaughter came in at 100,000 head Friday and 4,000 head for Saturday. This brought the total for last week to 599,000 head, up from 593,000 the previous week but down from 626,000 a year ago. The estimated average dressed cattle weight last week was 831 pounds, unchanged from the previous week and up from 822 a year ago. The 5-year average weight for that week is 827 pounds. Estimated beef production last week was 496.9 million pounds, down from 513.2 million a year ago. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,288 contracts of live cattle for the week ending February 27, increasing their net long to 54,821. This is their largest net long since November 7 but well below the 100,000+ readings from last summer, indicating there is room for more fund buying.



TODAY'S MARKET IDEAS:

April cattle bounced off the 200-day moving average last week, and this provided enough of a boost to send the market back to the vicinity of 4 1/2-month highs. The main trend remains positive, and cash market trends are supportive. Look for resistance at 189.20 and 190.70, with support at 184.475.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/20/2024 - 2/27/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	8,474	+1,739	1,496	-1,001	-9,971	-738
Cattle	83,884	+5,435	-71,875	-4,426	-12,009	-1,008

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (APR) 03/04/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is now at 184.620. The next area of resistance is around 189.970 and 190.770, while 1st support hits today at 186.900 and below there at 184.620.

FEEDER CATTLE (APR) 03/04/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The intermediate trend could be turning up with the close back above the 18-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next downside objective is 252.607. The next area of resistance is around 260.187 and 261.356, while 1st support hits today at 255.813 and below there at 252.607.

DAILY HOGS COMMENTARY

3/4/2024

Pork prices strong, but fund net long is getting burdensome.

An outside day higher close on Friday will start April hogs off in a positive technical stance this week, poised to test the nine-month highs. The USDA pork cutout was sharply higher on Friday, coming in at \$92.63, up \$3.35 from Thursday and up from \$90.06 the previous week. This was the highest it had been since October 9. Bellies led the move higher with a gain of \$25.97. The CME Lean Hog Index as of February 28 was 80.15, up from 79.91 the previous session and 78.78 the previous week. The USDA estimated hog slaughter came in at 484,000 head Friday and 106,000 head for Saturday. This brought the total for last week to 2.549 million head, down from 2.578 million the previous week but up from 2.523 million a year ago. Estimated US pork production last week was 551.1 million pounds, down from 558.9 million the previous week but up from 547.6 million a year ago. China issued new regulations today to control the nation's pig production capacity. The regulations stated that "The retention of breeding sows will be dynamically adjusted according to changes in pork consumption and pig production efficiency." Last week they lowered the national target for normal retention of breeding sows to 39 million from 41 million previously. Friday's Commitments of Traders report showed managed money traders were net buyers of 14,891 contracts of lean hogs for the week ending February 27, increasing their net long to 63,064 contracts. This is the highest it has been since September 20, 2022, and it is in the upper end of the historic range. The all-time high is 98,000 from 2013. The position has increased every week since January 2 when it logged a net short of 17,602. This leaves the market vulnerable to heavy selling if support levels are violated.



TODAY'S MARKET IDEAS:

Funds are building a large net long position, which could leave the market vulnerable to heavy selling if conditions turn bearish. Pork cutout values are strong, which provides near-term support. Look for resistance in April hogs at 89.00 and 90.00, with support at 85.52.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/20/2024 - 2/27/2024

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	76,044	+13,203	-66,252	-13,468	-9,791	+266

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/04/2024: The daily stochastics have crossed over up which is a bullish indication. Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The outside day up and close above the previous day's high is a positive signal. 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 near-term upside objective is at 90.100. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 89.370 and 90.100, while 1st support hits today at 86.800 and below there at 84.920.

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	188.450	62.61	62.86	70.78	69.63	186.91	187.25	186.53	180.78	178.43
FCJ24	258.000	62.90	64.75	75.89	71.47	256.44	256.96	254.31	244.16	239.18
LHJ24	88.070	75.65	71.40	75.06	78.46	86.65	86.55	84.43	81.22	80.04

Calculations based on previous session. Data collected 03/01/2024
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	184.570	186.870	187.670	189.970	190.770
FCJ24	Feeder Cattle	252.606	255.812	256.981	260.187	261.356
LHJ24	Lean Hogs	84.900	86.770	87.500	89.370	90.100

Calculations based on previous session. Data collected 03/01/2024
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