

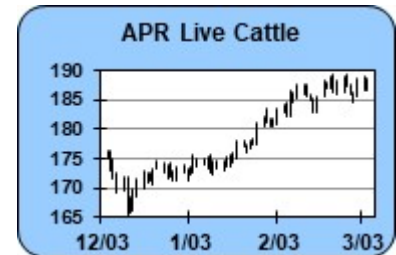


DAILY LIVESTOCK COMMENTARY Wednesday March 06, 2024

DAILY CATTLE COMMENTARY 3/6/2024

Lower slaughter pace undercuts support.

April cattle were able to rebound from early losses and finished Tuesday with a moderate gain. Beef margins have improved over a week ago, which could provide support for a move back to the recent highs. However, the slaughter pace is dragging this week and beef prices were lower yesterday, which undercuts support. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 238,000 head, down from 247,000 last week and 251,000 a year ago. The USDA boxed beef cutout was down \$1.14 at mid-session yesterday and closed \$1.51 lower at \$304.79. This was up from \$301.74 the previous week. Cash live cattle traded in light volume on Tuesday in Iowa/Minnesota at steady prices with last week, but with only 208 head reported, volume was too light for an adequate test of the market.



TODAY'S MARKET IDEAS:

The market has been consolidating in a range bound roughly by 185.00 and 190.00 for the past month. Key resistance for April cattle comes in at 189.15, and a gap at 190.70 from back in October could be the initial target on an upside breakout. Look for support at 186.20 and 185.00.

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) 03/06/2024: The daily stochastics gave a bullish indicator with a crossover up. 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 189.700. The next area of resistance is around 188.950 and 189.700, while 1st support hits today at 187.020 and below there at 185.820.

FEEDER CATTLE (APR) 03/06/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is 254.638. The next area of resistance is around 258.274 and 259.037, while 1st support hits today at 256.075 and below there at 254.638.

DAILY HOGS COMMENTARY

3/6/2024

A correction has begun.

April hogs' failure to extend the rally beyond the February 22 high has disappointed the bulls and sparked a correction. The fund net long reached its highest level since September last week, and this left the market vulnerable to a selloff. So did the fact that the market had rallied 17.20 (24%) from its contract low on January 2 to the February high. The CME Lean Hog Index as of March 1 was 80.41, up from 80.26 the previous session and 79.46 the previous week. The USDA estimated hog slaughter came in at 454,000 head yesterday. This brings the total for the week so far to 947,000 head, down from 983,000 last week at this time and 950,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$90.36, down 98 cents from Monday and down from \$90.40 the previous week. Smithfield Foods said its processing plant in Tar Heel, NC was closed due to a wastewater issue. The company expects to resume normal operations today.



TODAY'S MARKET IDEAS:

Look for support in April hogs at 84.30, followed by 83.20, with resistance at 85.65 and 88.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/06/2024: The daily stochastics gave a bearish indicator with a crossover down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 83.620. The next area of resistance is around 86.020 and 87.050, while 1st support hits today at 84.320 and below there at 83.620.

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	188.000	58.37	59.70	70.06	71.40	187.12	187.21	186.74	181.44	179.04
FCJ24	257.175	58.67	61.41	72.39	70.24	256.16	257.14	254.86	245.34	240.45
LHJ24	85.150	49.29	54.44	72.91	68.23	86.54	86.53	84.93	81.68	80.37

Calculations based on previous session. Data collected 03/05/2024

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	185.800	187.020	187.750	188.950	189.700

FCJ24	Feeder Cattle	254.637	256.074	256.837	258.274	259.037
LHJ24	Lean Hogs	83.600	84.300	85.320	86.020	87.050

Calculations based on previous session. Data collected 03/05/2024

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