



DAILY LIVESTOCK COMMENTARY

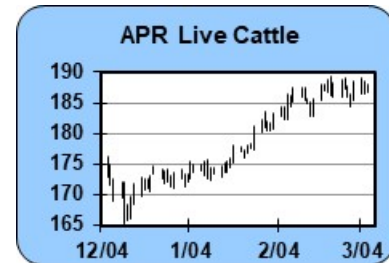
Thursday March 07, 2024

DAILY CATTLE COMMENTARY

3/7/2024

Tight supply offers underlying support.

April live cattle had another inside day yesterday, as the market continued its narrow action of the past month. Packer margins have improved this week but are still in negative territory, and this could limit any near-term gains. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 362,000 head, down from 372,000 last week and 376,000 a year ago. The USDA boxed beef cutout was down 2 cents at mid-session yesterday and closed 12 cents higher at \$304.91. This was up from \$303.03 the previous week. For the second straight day, cash live cattle traded in light volume at steady prices with last week. The lower slaughter pace attests to weaker packer demand, but it also reflects tight supplies.



TODAY'S MARKET IDEAS:

If consolidation means continuation, then it presents a bullish technical argument for April live cattle. Look for resistance at 189.15, with support at 186.35 and 185.10.

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) 03/07/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 188.400. The next area of resistance is around 187.800 and 188.400, while 1st support hits today at 186.720 and below there at 186.220.

FEEDER CATTLE (APR) 03/07/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 253.088. The next area of resistance is around 257.424 and 259.287, while 1st support hits today at 254.325 and below there at 253.088.

DAILY HOGS COMMENTARY

3/7/2024

Lower slaughter pace this week is short term bearish.

April hogs fell for third straight session yesterday but bounced off their lows, which could put the ball in the bulls' court today. The market fell below the 21-day moving average but closed above it, which could also offer some technical support. The average hog weight for Iowa-Southern Minnesota as of March 2 was 287.3 pounds, down from 287.7 the previous week but up from 285.9 a year ago and above the 5-year average of 286.4 pounds. Weights tend to fall this time of year, but they have been running above year ago and five-year average levels for several weeks. The CME Lean Hog Index as of March 4 was 80.87, up from 80.41 the previous session and 79.78 the previous week. The USDA estimated hog slaughter came in at 488,000 head yesterday. This brings the total for the week so far to 1.435 million head, down from 1.474 million last week but up from 1.429 million a year ago. The slowdown in slaughter this week is short-term negative. The USDA pork cutout, released after the close yesterday, came in at \$90.40, up 4 cents from Tuesday and up from \$89.56 the previous week. China imported 1.1 million tonnes of meat in January and February, down from 1.3 million for the same period last year, according to customs data. National Bureau of Statistics China said pork production in 2023 totaled 57.94 million tonnes, a 5% increase from 2022.



TODAY'S MARKET IDEAS:

April hogs may find support today after their bounce yesterday. Look for resistance at 86.05 and 86.60, with support at 84.65 and 83.87.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/07/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 83.450. The next area of resistance is around 85.650 and 86.070, while 1st support hits today at 84.350 and below there at 83.450.

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	187.250	54.41	57.02	70.29	70.74	187.59	187.29	186.78	181.77	179.39
FCJ24	255.875	54.08	58.21	70.87	67.83	256.70	257.05	255.08	245.94	241.14
LHJ24	85.000	48.07	53.57	67.83	57.67	86.13	86.28	85.19	81.90	80.54

Calculations based on previous session. Data collected 03/06/2024
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	186.200	186.700	187.300	187.800	188.400
FCJ24	Feeder Cattle	253.087	254.325	256.187	257.424	259.287
LHJ24	Lean Hogs	83.420	84.320	84.750	85.650	86.070

Calculations based on previous session. Data collected 03/06/2024
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