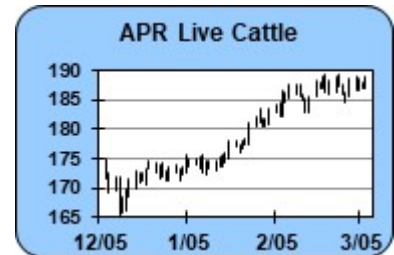




DAILY LIVESTOCK COMMENTARY
Monday March 11, 2024

DAILY CATTLE COMMENTARY
3/11/2024

Cash cattle up \$2/cwt last week.



April cattle's lower close on Friday lower after failing to follow through on a breakout rally earlier in the session may pressure the market early this week, but it does not alter the fundamentally bullish posture emanating from the tight supply. In the monthly supply/demand report on Friday, USDA increased its forecast for US 2024 beef production to 26.393 billion pounds from 26.253 billion pounds in the February report. This was still down from 27.032 billion for 2023. US beef production is expected to increase by 85 million pounds in the second quarter, which is smaller than the typical increase for that period, but it is the largest increase since 2019. Production is expected to decline by 150 million pounds in the third quarter, which is a bigger decline than last year and would be only the second time in at least 20 years that production fell during that period. The USDA estimated cattle slaughter came in at 97,000 head Friday and 2,000 head for Saturday. This brought the total for last week to 583,000 head, down from 599,000 the previous week and 631,000 a year ago. The estimated average dressed cattle weight last week was 832 pounds, up from 831 pounds the previous week and 826 a year ago. The 5-year average weight for that week is 827 pounds. Estimated beef production last week was 484.1 million pounds, down from 520.5 million a year ago. Cash live cattle were about \$2 higher last week. As of Friday afternoon, the five day, five-area weighted average price was \$185.12, up from \$183.11 the previous week. The USDA boxed beef cutout was up 35 cents at mid-session Friday and closed 43 cents higher at \$307.04. This was up from \$305.28 the previous week and was the highest it had been since October 30. Friday's Commitments of Traders reports showed managed money traders net buyers of 4,543 contracts of cattle for the week ending March 5, increasing their net long to 59,364. This is their largest net long since November but well below the 100,000+ levels they held for most of last year. The buying trend is short-term positive.

TODAY'S MARKET IDEAS:

The market traded to its highest level since October 20 on Friday and into the gap from that day, but it settled back inside the range of the past month. However, the momentum still seems with the bulls. The next upside target is 190.70, with support at 185.20.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	9,299	+825	-328	-1,824	-8,972	+999
Cattle	89,428	+5,544	-78,455	-6,580	-10,972	+1,037

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) 03/11/2024: The daily stochastics gave a bearish indicator with a crossover down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 185.250. The next area of resistance is around 189.020 and 190.870, while 1st support hits today at 186.200 and below there at 185.250.

FEEDER CATTLE (APR) 03/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The outside day down and close below the previous day's low is a negative signal. The close below the 1st swing support could weigh on the market. The next downside target is now at 250.900. The next area of resistance is around 256.224 and 259.399, while 1st support hits today at 251.975 and below there at 250.900.

DAILY HOGS COMMENTARY

3/11/2024

Slower slaughter pace and fund net long could attract sellers.

The bulls may receive faint encouragement by the April hogs' apparent rejection of last week's lows on Friday, but the lower slaughter pace last week suggests a slowdown in packer demand, and the large net long held by the funds leaves the market vulnerable to heavy selling if support levels are taken out. In the monthly supply/demand report on Friday, USDA raised its forecast for 2024 US pork production to 27.910 billion pounds, from 27.880 billion in February and 27.301 billion for 2023. Production is expected to decline by 535 million pounds in the second quarter, which is in keeping with the seasonal trend, but it would be the third largest decline for that period in the last 20 years. The CME Lean Hog Index as of March 6 was 81.48, up from 81.31 the previous session and 80.15 the previous week. The USDA estimated hog slaughter came in at 442,000 head Friday and 105,000 head for Saturday. This brought the total for last week to 2.456 million head, down from 2.549 million the previous week and 2.508 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$90.74, up 78 cents from Thursday but down from \$92.63 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 2,026 contracts of lean hogs for the week ending March 5, increasing their net long to 65,090. This is their largest net long since August 2022 and is well into the upper half of the historic range. However, the buying trend is short-term supportive.



TODAY'S MARKET IDEAS:

The slowdown in the slaughter pace and the large net long held by the funds could spark renewed selling. A break below 83.87 in April hogs could spark a move back to 81.65. Look for resistance at 86.98.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	81,190	+5,146	-70,153	-3,901	-11,038	-1,247

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/11/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 83.500. The next area of resistance is around 84.870 and 85.470, while 1st support hits today at 83.900 and below there at 83.500.

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	187.570	54.28	56.71	71.41	69.91	187.89	187.32	186.98	182.37	179.98
FCJ24	254.100	47.61	53.59	63.98	54.20	255.86	256.11	255.39	246.95	242.29
LHJ24	84.370	43.60	50.43	52.45	36.11	84.77	85.77	85.56	82.44	80.83

Calculations based on previous session. Data collected 03/08/2024

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	185.220	186.170	188.050	189.020	190.870
FCJ24	Feeder Cattle	250.900	251.974	255.149	256.224	259.399
LHJ24	Lean Hogs	83.470	83.870	84.470	84.870	85.470

Calculations based on previous session. Data collected 03/08/2024

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