

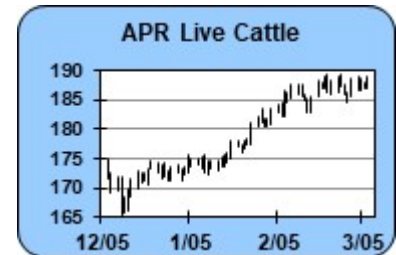


DAILY LIVESTOCK COMMENTARY Tuesday March 12, 2024

DAILY CATTLE COMMENTARY 3/12/2024

Struggling to break out of consolidation pattern.

Consolidation in the cattle market continues, with a sideways pattern now six weeks old. This suggests a potential for a substantial move when the breakout finally happens. The USDA estimated cattle slaughter came in at 111,000 head yesterday. This was down from 116,000 last week and 122,000 a year ago. The USDA boxed beef cutout was up \$1.48 at mid-session yesterday and closed \$1.84 higher at \$308.88. This was up from \$306.30 the previous week and was the highest it had been since October 30. Cash live cattle were quiet yesterday with no trades reported. The five-area weighted average steer price last week was \$185.12, up from \$183.30 the previous week and \$165.40 a year ago. The fund net long is growing but not burdensome, and the buying trend is positive.



TODAY'S MARKET IDEAS:

April live cattle held above the 21-day moving average yesterday, which was mildly supportive. The next upside target is 190.70, with support at 184.475.

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) 03/12/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 186.250. The next area of resistance is around 188.270 and 189.020, while 1st support hits today at 186.900 and below there at 186.250.

FEEDER CATTLE (APR) 03/12/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The market tilt is slightly negative with the close under the pivot. The next downside target is 251.863. The next area of resistance is around 253.774 and 254.562, while 1st support hits today at 252.425 and below there at 251.863.

DAILY HOGS COMMENTARY

3/12/2024

Low slaughter pace, burdensome net long.

April hogs broke below support yesterday, and they could be set for a more substantial correction of the rally from the contract lows in January to their 11-month high in February. A large net long position held by the funds leaves the market vulnerable to heavy selling as support levels are taken out. The USDA estimated hog slaughter came in at 468,000 head yesterday. This was down from 493,000 last week and 482,000 a year ago. The slaughter pace is down for the second week in a row, which suggests a slowdown in packer demand. The USDA pork cutout, released after the close yesterday, came in at \$92.14, up \$1.40 from Friday and up from \$91.34 the previous week. The CME Lean Hog Index as of March 7 was 81.48, unchanged from the previous session and up from 80.26 the previous week.



TODAY'S MARKET IDEAS:

April hogs fell right to the 0.618 retracement of the February 8-22 rally yesterday, and that level, 83.15, could be key support to start today. A break below there would leave the next support at 82.32. Look for resistance at 85.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/12/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 82.020. The next area of resistance is around 84.100 and 85.350, while 1st support hits today at 82.450 and below there at 82.020.

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	69.53	65.76	187.79	187.31	187.12	182.67	180.24
FCJ24	253.100	44.43	51.30	56.83	42.53	254.84	255.46	255.46	247.44	242.79
LHJ24	83.270	36.30	45.13	43.20	24.72	84.29	85.48	85.68	82.63	80.96

Calculations based on previous session. Data collected 03/11/2024

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	186.220	186.870	187.620	188.270	189.020
FCJ24	Feeder Cattle	251.862	252.424	253.212	253.774	254.562
LHJ24	Lean Hogs	82.000	82.420	83.670	84.100	85.350

Calculations based on previous session. Data collected 03/11/2024

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