



DAILY LIVESTOCK COMMENTARY

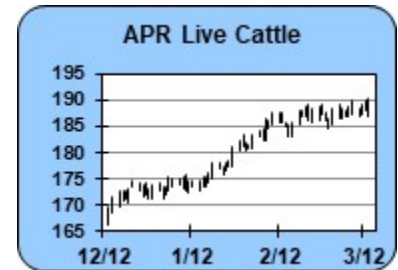
Friday March 15, 2024

DAILY CATTLE COMMENTARY

3/15/2024

Weak attempt at a breakout leaves bears in charge to start.

After flirting with another attempt to break out of their month-long consolidation, April cattle backed away again yesterday, selling off sharply after inching above Wednesday's highs. The long consolidation suggests the move will be dramatic once the market breaks out of the pattern, and the US cattle herd being at record lows suggest the move will be to the upside. However, the failure to close a gap from last October leaves the ball in the bears' court today. The bulls received no help from the weekly export sales report yesterday, which showed US beef sales for the week ending March 7 at 11,229 tonnes, down from 14,006 the previous week and the lowest since November 23. Cumulative sales for 2024 have reached 279,900 tonnes, down from 316,100 a year ago and the lowest for this point in the year since 2019. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 473,000 head, down from 484,000 last week and 498,000 a year ago. The USDA boxed beef cutout was up \$1.05 at mid-session yesterday and closed 96 cents higher at \$310.78. This was up from \$306.61 the previous week and was the highest it had been since September 8. Cash live cattle trade has been relatively quiet so far this week, with a five-day, five area weighted average price of \$185.81 versus \$184.91 a week ago, but that is on relatively light volume.



TODAY'S MARKET IDEAS:

April cattle's rejection of its rally attempt yesterday could send the market back to test support at the 200-day moving average at 183.35. Interim support comes in at 186.60. Look for resistance at 190.275 and 190.70.

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 (JUN) 03/15/2024: 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 intermediate trend has turned down with the cross over back below the 18-day moving average. The outside day down is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 180.670. The next area of resistance is around 185.100 and 187.600, while 1st support hits today at 181.650 and below there at 180.670.

FEEDER CATTLE (MAY) 03/15/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The outside day down and close below the previous day's low is a negative signal. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The

next downside objective is now at 250.319. The next area of resistance is around 257.637 and 261.568, while 1st support hits today at 252.013 and below there at 250.319.

DAILY HOGS COMMENTARY

3/15/2024

Tech action encouraging for the bulls.

April hogs saw a reversal higher on heavy volume on Tuesday, and this supports ideas of a near-term low, but the market needs to see some follow through. The weekly export sales report showed US pork sales for the week ending March 7 at 24,854 tonnes, down from 36,405 the previous week and the lowest since January 18. The four-week average is 33,635. Cumulative sales for 2024 have reached 549,900 tonnes, up from 532,700 a year ago but below the five-year average of 635,200. The CME Lean Hog Index as of March 12 was 82.02, up from 81.61 the previous session and 81.31 the previous week. The USDA estimated hog slaughter came in at 467,000 head yesterday. This brings the total for the week so far to 1.892 million head, down from 1.909 million last week and 1.931 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$92.12, up \$1.37 from Wednesday and up from \$89.96 the previous week. April hogs were trading at a 3.18 premium to the cash market on March 12 versus 0.28 last year and a five-year average of 2.13. June hogs were at 20.06 premium versus 18.05 a year ago and a five-year average of 18.19. The slightly higher than normal premiums are slightly bearish.



TODAY'S MARKET IDEAS:

The 50-day moving average crossing above the 200-day this week is supportive, as is the strong volume on Tuesday's reversal day. A move through Tuesday's high at 85.57 would leave upside targets of 86.02 and 86.70. Look for support at 86.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 03/15/2024: 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 market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 100.400. The next area of resistance is around 101.950 and 102.470, while 1st support hits today at 100.920 and below there at 100.400.

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									

LCM24	183.370	50.28	53.26	66.19	63.86	184.10	183.76	183.43	180.36	177.97
FCK24	254.825	42.53	48.00	38.77	28.19	256.38	257.22	258.38	252.78	248.29
LHM24	101.400	59.32	62.09	75.50	71.84	101.60	101.51	100.50	97.14	95.63

Calculations based on previous session. Data collected 03/14/2024

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						
LCM24	Live Cattle	180.650	181.620	184.120	185.100	187.600
FCK24	Feeder Cattle	250.318	252.012	255.943	257.637	261.568
LHM24	Lean Hogs	100.370	100.900	101.420	101.950	102.470

Calculations based on previous session. Data collected 03/14/2024

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