

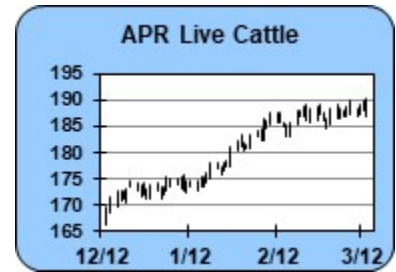


## DAILY LIVESTOCK COMMENTARY Monday March 18, 2024

### DAILY CATTLE COMMENTARY 3/18/2024

#### Stronger cash trade supportive to start the week

After the significant reversal lower last Thursday, it is a bit surprising prices did not follow through to the downside Friday, but stronger cash trade supported the market. The month-long consolidation remains intact and important moving average support stands at 185.45 on April. The sideways/higher trend is still in place. The USDA estimated cattle slaughter came in at 113,000 head Friday and 15,000 head for Saturday. This brought the total for last week to 601,000 head, up from 583,000 the previous week but down from 628,384 a year ago.



The estimated average dressed cattle weight last week was 836 pounds, up from 832 the previous week and 822 a year ago. The 5-year average weight for that week is 824 pounds. Estimated beef production last week was 501.4 million pounds, down from 515.7 million a year ago. The USDA boxed beef cutout was up 74 cents at mid-session Friday and closed \$1.12 higher at \$311.90. This was up from \$307.04 the previous week and was the highest it had been since September 8, 2023. Cash live cattle traded in heavy volume on Friday. The five-area weighted average price last week was \$187.20, up from \$185.09 the previous week.

Friday's Commitments of Traders report showed managed money traders were net buyers of 3,947 contracts of cattle for the week ending March 12, increasing their net long to 63,311. This is their largest net long since October but still well below the 117,000-plus from last July. This indicates there is more buying fuel for the funds if they are interested.

#### TODAY'S MARKET IDEAS:

Thursday's reversal to the downside on April was not confirmed with a lower close Friday, so the consolidation/uptrend remains in place. Stronger cash prices to finish last week may offer support today. Moving average support stands at 185.45 and 183.35. Significant resistance is at 190.27.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Livestock</b>						
<b>Feeder Cattle</b>	7,634	-1,665	662	+990	-8,296	+676
<b>Cattle</b>	91,431	+2,003	-78,603	-148	-12,828	-1,856

#### 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) 03/18/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 182.150. The next area of resistance is around 184.400 and 185.370, while 1st support hits today at 182.800 and below there at 182.150.

FEEDER CATTLE (MAY) 03/18/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 253.188. The next area of resistance is around 257.399 and 258.787, while 1st support hits today at 254.600 and below there at 253.188.

**DAILY HOGS COMMENTARY**  
3/18/2024

**Strong technical picture supportive of further gains**

With April hogs sharp rally on Friday, the 3 1/2 month uptrend has resumed and the path of least resistance looks higher. Pork cutout is the highest it's been since early October. A stronger seasonal price trend is typically seen into summer and that may provide underlying support on breaks. The CME Lean Hog Index as of March 13 was 82.19, up from 82.02 the previous session and 81.48 the previous week. The USDA estimated hog slaughter came in at 444,000 head Friday and 137,000 head for Saturday. This brought the total for last week to 2.479 million head, up from 2.456 million the previous week but down from 2.492 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$92.51, up 39 cents from Thursday and up from \$90.74 the previous week. Estimated US pork production last week was 534.7 million pounds, up from 530.3 million the previous week but down from 541.6 million a year ago.



China's national average spot pig price as of March 18 was up 0.96% from the previous day. For the week prices are up 0.96%, up 4.17% for the month and up 2.43% year to date and down 3.60% versus a year ago. Dalian live hog futures as of March 18 were up 2.3% from the previous day. For the week prices are up 2.3% and up 5.19% for the month and up 4.03% year to date

**TODAY'S MARKET IDEAS:**

April prices look to be resuming the uptrend in place since early January and strong seasonal tendencies into summer are supportive as well. Nearby resistance is 88.25 and then the February high at 88.90. Look for support at 86.15.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Livestock</b>						
Hogs	79,026	-2,164	-68,876	+1,277	-10,150	+888

**PORK COMPLEX TECHNICAL OUTLOOK:**

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LEAN HOGS (JUN) 03/18/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 104.200. The next area of resistance is around 103.470 and 104.200, while 1st support hits today at 101.500 and below there at 100.220.

### 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
<b>MEAT COMPLEX</b>										
LCM24	183.570	51.36	53.95	63.73	58.81	184.24	183.87	183.46	180.64	178.18
FCK24	256.000	46.81	50.57	34.32	25.41	256.53	257.02	258.26	253.22	248.68
LHM24	102.470	66.08	66.25	75.69	76.07	101.96	101.55	100.74	97.36	95.79

Calculations based on previous session. Data collected 03/15/2024

Data sources can & do produce bad ticks. Verify before use.

### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCM24	Live Cattle	182.120	182.770	183.750	184.400	185.370
FCK24	Feeder Cattle	253.187	254.600	255.987	257.399	258.787
LHM24	Lean Hogs	100.200	101.470	102.200	103.470	104.200

Calculations based on previous session. Data collected 03/15/2024

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