

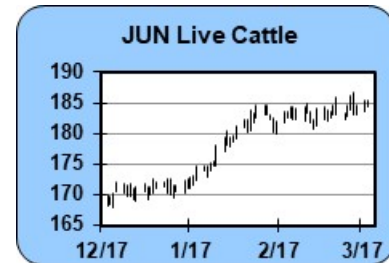


DAILY LIVESTOCK COMMENTARY Wednesday March 20, 2024

DAILY CATTLE COMMENTARY 3/20/2024

Low volume pullback Tuesday

Tuesday's April cattle trading range was inside Monday's range and trading volume was relatively low as prices remain firmly inside the recent consolidation. The longer the trade stays range-bound the bigger the move once it breaks out. Friday's cattle on feed report is expected to show significantly higher placements, which could garner a short-term bearish reaction, but tighter supplies are not going away. Bloomberg's Cattle On Feed report estimates for Friday's report are 101.9% on feed, placements 106.2% and marketings 103.9%. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 242,000 head, up from 233,000 last week but down from 251,000 a year ago. The USDA boxed beef cutout was up \$1.56 at mid-session yesterday and closed 11 cents lower at \$313.22. This was up from \$310.59 the previous week. Cash live cattle were quiet yesterday with no trades reported.



TODAY'S MARKET IDEAS:

Tuesday's selloff came on low volume, which is typically a bullish sign. Cash trade may hold off till very late in the week due to the cattle on feed report Friday afternoon. Moving average support stands at 185.45 and 183.35. A move above last week's high at 190.27 is the key to accelerating the uptrend.

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) 03/20/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 185.870. The next area of resistance is around 185.450 and 185.870, while 1st support hits today at 184.550 and below there at 184.050.

FEEDER CATTLE (MAY) 03/20/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 260.687. The next area of resistance is around 259.774 and 260.687, while 1st support hits today at 258.075 and below there at 257.288.

DAILY HOGS COMMENTARY

3/20/2024

Lean Hog Index steadily rising

Some profit-taking hit the April hogs yesterday, but prices remain inside the trading range of last Friday. The steady climb in the lean hog Index may provide underlying support on breaks. USDA will release their March Hog and Pig report a week from tomorrow, which is expected to show tighter hog numbers. Retracement support on April stands at 84.85 and a higher close today would suggest a continuation of the 3-month uptrend. The CME Lean Hog Index as of March 15 was 82.54, up from 82.34 the previous session and 81.41 the previous week. The USDA estimated hog slaughter came in at 491,000 head yesterday.

This brings the total for the week so far to 972,000 head, up from 939,000 last week and 948,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$91.56, down 26 cents from Monday but up from \$91.37 the previous week.



China's national average spot pig price as of March 20 was up 1.53% from the previous day. For the week prices are up 4.66%, up 7.99% for the month and up 6.19% year to date and down 0.13% versus a year ago. Dalian live hog futures as of March 20 were up 0.2% from the previous day. For the week prices are up 3.5% and up 5.97% for the month and up 4.80% year to date

TODAY'S MARKET IDEAS:

Yesterdays pullback in April futures did not breach any major support and the bull camp can regain the edge with a strong close today. Key resistance remains at 87.52. Look for retracement support at 84.85.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 03/20/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is now at 98.420. The next area of resistance is around 102.720 and 104.350, while 1st support hits today at 99.770 and below there at 98.420.

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	185.000	56.98	57.58	65.78	68.37	184.34	184.27	183.71	181.23	178.65

FCK24	258.925	55.77	56.22	39.67	47.94	257.22	257.19	258.24	254.17	249.53
LHM24	101.250	52.21	56.73	74.60	69.27	102.04	101.79	101.15	97.78	96.11

Calculations based on previous session. Data collected 03/19/2024

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	184.020	184.520	184.950	185.450	185.870
FCK24	Feeder Cattle	257.287	258.074	258.987	259.774	260.687
LHM24	Lean Hogs	98.400	99.750	101.370	102.720	104.350

Calculations based on previous session. Data collected 03/19/2024

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