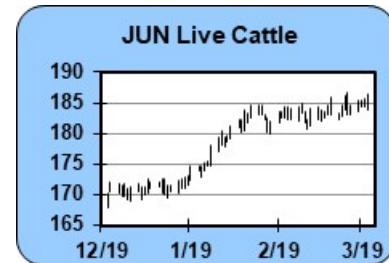




## **DAILY CATTLE COMMENTARY** 3/22/2024

### **Cash trade \$2 higher than last week**

Cash trade developed in Kansas yesterday at nearly \$2 higher than last week. The National Beef plant in Liberal is expected to resume operations this morning after yesterday's fire. February red meat production was up 6.8% year-over-year with beef production up 3.2%. Cattle slaughter in February was up 2.5% from last year. Surprisingly, carcass weights have increased for 5 consecutive weeks at a time of year when weights typically fall and are now 19 pounds above a year ago. April futures remain in the sideways consolidation, waiting for this afternoon's cattle on feed report to provide market direction early next week. Bloomberg estimates are on feed 101.9%, placements 106.2% and marketings 103.9%. The USDA estimated cattle slaughter came in at 117,000 head yesterday. This brings the total for the week so far to 475,000 head, up from 473,000 last week but down from 504,274 a year ago. The USDA boxed beef cutout was up \$1.04 at mid-session yesterday and closed 29 cents higher at \$313.73. This was up from \$310.78 the previous week and was the highest it had been since September 5. Cash live cattle trade was active yesterday at higher prices than last week. The five-area weighted average price was 189.20, up from 187.27 last week.



### **TODAY'S MARKET IDEAS:**

Daily trading volume rebounded yesterday although prices remain in the sideways consolidation. Firm cash trade yesterday may offer some support to the market today, but it is the cattle on feed report after today's close that will dictate Monday's direction. Moving average support on April stands at 185.45 and 186.65 is the consolidation range lower boundary. 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) 03/22/2024:** The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 182.250. The next area of resistance is around 185.770 and 187.320, while 1st support hits today at 183.250 and below there at 182.250.

**FEEDER CATTLE (MAY) 03/22/2024:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-

day moving average. The outside day down is a negative signal. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 262.168. The next area of resistance is around 259.962 and 262.168, while 1st support hits today at 256.188 and below there at 254.619.

## DAILY HOGS COMMENTARY

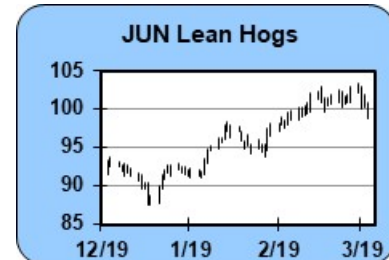
3/22/2024

### February US pork production up 9.9% from year ago

April hogs have closed lower each day this week, but the intermediate-term uptrend remains in place. Perhaps some of the pressure is coming from very strong US pork production, which was up 9.9% in February from a year ago and high slaughter rates, which were up 10.1% in February from the previous year. Yesterday's weekly export sales were strong and showed Mexico and Canada buying 18 million tonnes of the 33.8 million total sales. Next moving average support on April is 83.50 and prices may see a short covering bounce today after 4 days down in a row.

The CME Lean Hog Index as of March 19 was 83.25, up from 82.02 the previous session and 82.82 the previous week. The USDA estimated hog slaughter came in at 490,000 head yesterday. This brings the total for the week so far to 1.952 million head, up from 1.898 million last week and 1.923 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$90.87, up 16 cents from Wednesday but down from \$92.12 the previous week.

China's national average spot pig price as of March 22 was down 0.52% from the previous day. For the week prices are up 4.11%, up 7.43% for the month and up 5.63% year to date and up 0.86% versus a year ago. Dalian live hog futures as of March 22 were down 1.2% from the previous day. For the week prices are unchanged and up 5.67% for the month and up 4.50% year to date



### TODAY'S MARKET IDEAS:

April may see a short covering rebound today after weakness this week, which erased the large rally seen last Friday. Support on April futures 83.45 and as long as prices do not penetrate 83.15, the uptrend remains intact. A move above resistance at 87.52 may trigger a new leg higher.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 03/22/2024: 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. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 97.450. The next area of resistance is around 100.370 and 101.720, while 1st support hits today at 98.250 and below there at 97.450.

## 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	184.500	53.81	55.54	65.43	63.50	184.92	184.41	183.78	181.77	179.14
FCK24	258.075	52.20	53.99	48.73	56.63	258.73	257.38	257.86	255.01	250.36
LHM24	99.270	39.31	46.90	58.79	39.64	101.05	101.45	101.19	98.13	96.37

Calculations based on previous session. Data collected 03/21/2024

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	182.200	183.200	184.770	185.770	187.320
FCK24	Feeder Cattle	254.618	256.187	258.393	259.962	262.168
LHM24	Lean Hogs	97.420	98.220	99.570	100.370	101.720

Calculations based on previous session. Data collected 03/21/2024

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