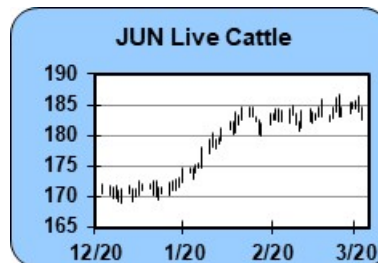




DAILY CATTLE COMMENTARY
3/25/2024

Bearish Cattle on Feed report.

The USDA Cattle on Feed Report on Friday was bearish, particularly for the deferred contracts, because placements came in above the average expectation and above the upper end of the expected range, and we look for the market to open lower today. The report showed placements for the month of February at 109.7% of last year versus an average trade expectation of 106.2% and a range of 102.7% to 108.8%. This was the highest placements as percent of the previous year since February 2022. February marketings came in at 103.4% versus 103.9% expected (range of 102.5%-104.7%). Cattle on feed supply as of March 1 came in at 101.3% of last year versus 100.9% expected (range 100.1%-102.7%). March 1 on-feed supply was above the average estimate but within the expected range, so it was somewhat bearish for the close-in contracts. The 90-day cattle supply was 6.656 million head, the highest since June 2020, and the 120-day supply was 4.485 million, the highest since July 2020. The higher-than-expected placements were blamed on "leap day" and the possibility that brutal wintry weather in January inspired catch-up in February. The USDA estimated cattle slaughter came in at 109,000 head Friday and 14,000 head for Saturday. This brought the total for last week to 598,000 head, down from 601,000 the previous week and 628,000 a year ago. The estimated average dressed cattle weight last week was 839 pounds, up from 836 the previous week and 820 a year ago. The 5-year average weight for that week is 824 pounds. The fact that fed cattle weights are running ahead of a year ago could also weigh on the market. Estimated beef production last week was 500.4 million pounds, down from 513.4 million a year ago. The USDA boxed beef cutout was down \$2.18 at mid-session Friday and closed \$3.01 lower at \$310.72. This was down from \$311.90 the previous week. Cash live cattle traded in modest volume on Friday at comparable levels to earlier in the week. The five-day, five-areas weighted average price last week was \$189.43, up from \$187.27 the previous week. Friday's Commitments of Traders report showed managed money traders were net sellers of 920 contracts of cattle for the week ending March 19, reducing their net long to 62,391. This is near the midpoint of the historic range, which suggests the market is neither overbought nor oversold.



TODAY'S MARKET IDEAS:

Look for a lower open today in the wake of the unexpectedly high placements number in Friday's Cattle on Report. If selling picks up, April cattle may eventually fall back and test the 200-day moving average, currently around 184.45. A move above the March 14 high at 190.27 is the key to accelerating the uptrend.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	8,864	+1,230	337	-325	-9,201	-905
Cattle	90,647	-784	-75,816	+2,787	-14,832	-2,004

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) 03/25/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The close below the 1st swing support could weigh on the market. The next downside target is now at 181.120. The next area of resistance is around 183.950 and 185.350, while 1st support hits today at 181.850 and below there at 181.120.

FEEDER CATTLE (MAY) 03/25/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. The daily stochastics gave a bearish indicator with a crossover down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 248.713. The next area of resistance is around 256.725 and 260.512, while 1st support hits today at 250.825 and below there at 248.713.

DAILY HOGS COMMENTARY

3/25/2024

Strong pork market indicates strong demand.

The intermediate uptrend in April remains in place despite their lower every day last week. Pork prices continue to firm, which provides underlying support. The USDA pork cutout, released after the close Friday, came in at \$93.86, up \$2.99 from Thursday and up from \$92.51 the previous week. This was the highest it had been since October 2. However, heavy production could undercut the market. The USDA estimated hog slaughter came in at 485,000 head Friday and 95,000 head for Saturday. This brought the total for last week to 2.532 million head, up from 2.466 million the previous week and 2.473 million a year ago. Estimated US pork production last week was 545.8 million pounds, up from 531.9 million the previous week and 536.5 million a year ago. The CME Lean Hog Index as of March 20 was 83.54, up from 83.21 the previous session and 82.19 the previous week. The large net long held by the funds could also be worrisome for the bulls. Friday's Commitments of Traders report showed managed money traders were net sellers of 802 contracts of lean hogs for the week ending March 19, reducing their net long to 62,877. This is in the upper 38% of the historic range. These traders were flat at the beginning of the year, and the size of the net long and the quickness of the increase have left the market vulnerable to long liquidation.



TODAY'S MARKET IDEAS:

A key support level for April hogs could be the 50-day moving average at 83.55 and ultimately 83.15, as a break below there would suggest an end to the uptrend. Look for resistance at 85.65 and 87.00. A move above 87.52 may trigger a new leg higher.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	78,082	-944	-68,063	+813	-10,019	+131

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 03/25/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 97.870. The next area of resistance is around 100.550 and 101.300, while 1st support hits today at 98.850 and below there at 97.870.

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	182.900	44.43	49.31	60.23	49.82	184.29	184.39	183.74	181.96	179.34
FCK24	253.775	38.07	44.30	46.33	41.52	257.39	257.20	257.44	255.26	250.68
LHM24	99.700	42.70	48.90	50.31	33.37	100.22	101.30	101.21	98.30	96.51

Calculations based on previous session. Data collected 03/22/2024

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	181.100	181.820	183.220	183.950	185.350
FCK24	Feeder Cattle	248.712	250.825	254.612	256.725	260.512
LHM24	Lean Hogs	97.850	98.820	99.570	100.550	101.300

Calculations based on previous session. Data collected 03/22/2024

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