

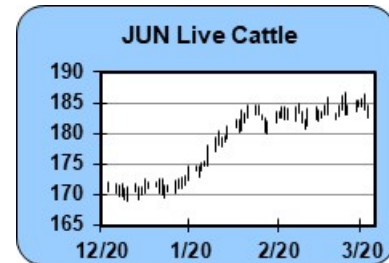


DAILY LIVESTOCK COMMENTARY Wednesday March 27, 2024

DAILY CATTLE COMMENTARY 3/27/2024

Technical collapse as bearish placements number sinks in.

April cattle have broken several technical support levels in the wake of Friday's bearish Cattle on Feed report. The report showed placements for the month of February at 109.7% of last year, above the high end of expectations and the highest percent of the previous year since February 2022. The 90-day cattle supply was 6.656 million head, the highest since June 2020. A reports that Avian Flu was detected in milk cows in Texas and New Mexico may have also raised trader anxiety. There have been rumors that the cattle movement between states could be restricted, but there has been no confirmation of that. There have been NO reports of infected beef cattle. According to a veterinarian we spoke to, the affected dairies have seen about 10% of their animals sick with fever, with reduced appetites and decreased milk production, but little or no deaths. These dairies had large numbers of migratory birds present, so they do not know yet if the disease can be spread between cattle. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 243,000 head, up from 242,000 last week but down from 250,000 a year ago. The USDA boxed beef cutout was up 37 cents at mid-session yesterday and closed 20 cents higher at \$311.09. This was down from \$313.22 the previous week. Cash live cattle traded in light volume in Kansas and Texas/Oklahoma at \$184 yesterday, down from averages around \$188 last week. The volume was too light for an adequate test, but the lower prices were not surprising given the steep selloff in the futures.



TODAY'S MARKET IDEAS:

April cattle bounced off its lows yesterday, which leaves weak technical support at 181.775 today. Additional support comes in at 180.775 and 177.825. Look for resistance at 185.45.

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) 03/27/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. 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 173.250. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 181.150 and 184.320, while 1st support hits today at 175.620 and below there at 173.250.

FEEDER CATTLE (MAY) 03/27/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 240.807. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 250.937 and 255.556, while 1st support hits today at 243.563 and below there at 240.807.

DAILY HOGS COMMENTARY

3/27/2024

Choppy ahead of Hogs and Pigs.

April hogs were higher yesterday, but trade may get choppy ahead of tomorrow's quarterly Hogs and Pigs report. For the report, the average trade expectation for all US hogs and pigs on March 1 is 100.1% of a year ago, with kept for breeding at 97.1%. The December-February pig crop is expected to come in around 101.4% of a year ago, with pigs per litter at 103.3%. Strong pork values provide underlying support. The USDA pork cutout, released after the close yesterday, came in at \$94.57, down 39 cents from Monday but up from \$91.56 the previous week. On Monday the pork cutout was the highest it had been since September 29. The CME Lean Hog Index as of March 22 was 83.48, up from 83.59 the previous session and 82.54 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 974,000, up from 972,000 last week and 965,000 a year ago. China's national average spot pig price was up 0.5% today, and it was up 2.0% for the week and 9.6% for the month. China's Ministry of Agricultural and Rural Affairs said this week that the nation's sow herd fell to 40.42 million at the end of February, down 0.6% from January and 6.9% from the year before. However, industry officials said the nation's herd will remain in surplus this year despite the government's attempt to tame oversupply because of increasingly productive sows and a reluctance on the part of companies to destock.



TODAY'S MARKET IDEAS:

Look for choppy action ahead of the Hogs and Pigs report, which will be released after the close tomorrow. Resistance for April hogs comes in at 86.92 and 87.52, with support at 84.35 and 83.82.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 03/27/2024: Momentum studies trending lower at mid-range should accelerate a move lower 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 downside closing price reversal on the daily chart is somewhat negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 100.170. The next area of resistance is around 102.100 and 103.150, while 1st support hits today at 100.620 and below there at 100.170.

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	178.370	27.69	36.24	44.37	28.25	181.84	183.28	183.55	182.21	179.66
FCK24	247.250	25.22	33.77	35.74	23.18	252.93	255.49	256.65	255.60	251.17
LHM24	101.350	53.90	55.78	48.07	47.99	100.51	101.20	101.39	98.73	96.88

Calculations based on previous session. Data collected 03/26/2024

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	173.200	175.570	178.770	181.150	184.320
FCK24	Feeder Cattle	240.806	243.562	248.181	250.937	255.556
LHM24	Lean Hogs	100.150	100.600	101.650	102.100	103.150

Calculations based on previous session. Data collected 03/26/2024

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