



DAILY LIVESTOCK COMMENTARY

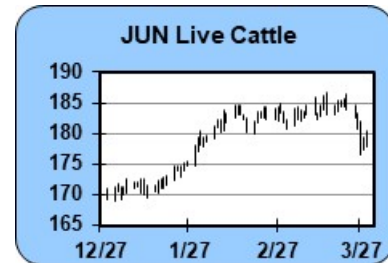
Monday April 01, 2024

DAILY CATTLE COMMENTARY

4/1/2024

More consolidation ahead?

Last week's break in April cattle below may have been too far, too fast, and we may see some consolidation between 180 and 185 this week. Reports are that traders viewed last week's cash cattle trade as stronger than expected considering the break in the futures. As of Friday afternoon, the five-area weighted average price was \$188.02, down from \$189.44 the previous week. The weekly export sales report on Thursday showed US beef sales for the week ending March 21 at 12,645 tonnes, up from 10,979 the previous week and above the four-week average of 12,217. The largest buyer was South Korea at 3,437 tonnes, followed by Japan at 3,371, and China at 1,992. The USDA estimated cattle slaughter came in at 586,000 head last week, down from 598,000 the previous week and 644,766 a year ago. The estimated average dressed cattle weight last week was 843 pounds, up from 839 the previous week and 824 a year ago. The 5-year average weight for that week is 823 pounds. Estimated beef production last week was 493.0 million pounds, down from 530.3 million a year ago. The USDA boxed beef cutout ended last week at \$306.72, down from \$310.72 the previous week and was the lowest it had been since March 7. Friday's Commitments of Traders report showed managed money traders were net sellers of 3,227 contracts of live cattle for the week ending March 26, reducing their net long to 59,164. The net long is towards the middle of the historic range and is far from overbought.



TODAY'S MARKET IDEAS:

Look for resistance in April cattle at 184.45 and 187.15, with support at 181.775. A resumption of the downtrend would leave a retracement target of 180.775, followed by 177.85.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	4,617	-4,247	2,769	+2,432	-7,386	+1,815
Cattle	90,263	-384	-74,867	+949	-15,397	-565

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) 04/01/2024: The cross over and close above the 60-day moving average is an indication the

longer-term trend has turned positive. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is 176.970. The next area of resistance is around 181.600 and 182.400, while 1st support hits today at 178.900 and below there at 176.970.

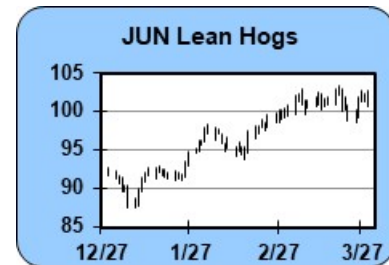
FEEDER CATTLE (MAY) 04/01/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 245.875. The next area of resistance is around 249.950 and 250.875, while 1st support hits today at 247.450 and below there at 245.875.

DAILY HOGS COMMENTARY

4/1/2024

Hogs and pigs bearish against expectations.

The USDA Hogs and Pigs report (released after the close on Thursday) was not a big shocker, but it did show inventory and pig crop numbers coming in at the bearish end of expectations. The report showed the March 1 US hog inventory at 100.6% of last year versus an average trade expectation of 100.1% and a range of expectations from 98.8% to 100.9%. Kept for breeding came in at 97.9% of last year versus 97.1% expected (range 95.2%-99%), and market hogs at 100.8% versus 100.4% expected. The weight categories of under 50 pounds, 50-119 pounds, and 120-179 pounds all came in above expectations. Only the heaviest category (180 and over) was lower. This may support the nearby contract against the deferreds today. The September-November pig crop was 109.1% of last year versus 101.4% expected (range 100.4%-102.5%). Pigs per litter averaged 11.53 versus 11.02 last year, 104.6% of a year ago versus 103.3% expected. The hog market did draw support from a strong export sales report on Thursday, with US pork sales for the week ending March 21 at 55,319 tonnes, up from 33,829 the previous week and the highest since December 13. The largest buyer was Mexico at 32,796 tonnes, followed by Japan at 5,696. China bought just 353 tonnes. The CME Lean Hog Index as of March 26 was 84.25, up from 83.69 the previous session and 83.21 the previous week. The USDA estimated hog slaughter came in at 2.404 million head last week, down from 2.532 million the previous week and 2.484 million a year ago. Estimated US pork production was 517.6 million pounds, down from 545.8 million the previous week and 539.2 million a year ago. The USDA pork cutout ended last week at \$93.06, up from \$92.81 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 2,074 contracts of lean hogs for the week ending March 26, increasing their net long to 64,951. The net long is in the upper end of the historic range, which leaves the market vulnerable to selling if support levels are taken out.



TODAY'S MARKET IDEAS:

The Hogs and Pigs report was on the bearish end of expectations, which could apply pressure to the market this week, especially the strong pigs-per-litter number, which kept the pig crop high. The outside reversal day higher on Friday was strong technical action, however. Look for resistance in April hogs at 87.52, with support at 85.55.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						

Hogs	79,896	+1,814	-68,400	-337	-11,497	-1,478
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PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/01/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 103.770. The next area of resistance is around 102.520 and 103.770, while 1st support hits today at 100.370 and below there at 99.450.

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
MEAT COMPLEX										
LCM24	180.250	39.77	43.50	35.55	30.35	179.73	182.39	183.13	182.40	179.94
FCK24	248.700	31.34	37.46	27.77	21.44	249.21	253.95	255.48	255.76	251.58
LHM24	101.450	54.23	55.97	51.20	54.47	101.52	101.11	101.33	99.06	97.29

Calculations based on previous session. Data collected 03/28/2024

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	176.950	178.870	179.670	181.600	182.400
FCK24	Feeder Cattle	245.875	247.450	248.375	249.950	250.875
LHM24	Lean Hogs	99.420	100.350	101.600	102.520	103.770

Calculations based on previous session. Data collected 03/28/2024

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