

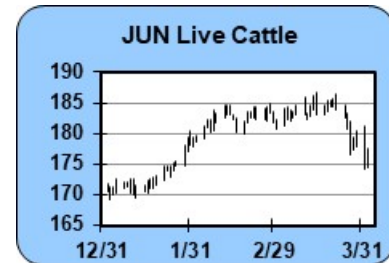


DAILY LIVESTOCK COMMENTARY Wednesday April 03, 2024

DAILY CATTLE COMMENTARY 4/3/2024

Low beef prices, demand concerns, and bird flu anxiety.

June cattle took back some of their losses from Monday's selloff as it became clear that the market had overreacted to the avian flu story, but the bounce was not very impressive. Lingering worries about demand if this story becomes "front page news" may keep pressure on cattle prices. The USDA boxed beef cutout was down \$1.58 yesterday at \$304.16. This was down from \$311.09 the previous week and the lowest it had been since February 28. Cash live cattle were quiet yesterday with no trades reported. There were reports that packers were seeking lower prices due to poor margins. There have been concerns that the avian flu, which so far has been detected in only dairy herds, would show up in beef herds as well. This raised concerns that the USDA would quarantine or restrict cattle movement and that consumers would shy away from beef. So far, the USDA has taken no such steps. Most of the cattle infected appear to have recovered after a few days. There have been no reports of the disease showing up in beef cattle, but if it does, we could see another wave of selling. The person in Texas that tested positive experienced conjunctivitis and was treated with antivirals. This strain of flu, H5N1 is contagious and deadly for poultry, but there is scant evidence of that being the case for cattle. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 229,000, down from 243,000 last week and 245,000 a year ago.



TODAY'S MARKET IDEAS:

Technical damage done to the market when it fell below the 200-day moving average last week and failed in its attempt to move back above on Monday leaves the market in a bearish posture. Any report of avian flu reaching beef cattle herds could spark another wave of selling. Look for resistance in June cattle at 180.65, with support at 174.15 and 171.85.

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) 04/03/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 173.150. The next area of resistance is around 177.900 and 179.200, while 1st support hits today at 174.870 and below there at 173.150.

FEEDER CATTLE (MAY) 04/03/2024: Daily stochastics are trending lower but have declined into oversold

territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 239.525. The next area of resistance is around 247.249 and 249.125, while 1st support hits today at 242.450 and below there at 239.525.

DAILY HOGS COMMENTARY

4/3/2024

Strong pork market and lighter slaughter.

June hogs extended their rally to new contract highs yesterday, as a strong pork market, lower hog slaughter, and an expected slowdown in hog farrowings this year lent support. The USDA estimated hog slaughter came in at 489,000 head yesterday. This brings the total for the week so far to 847,000, down from 967,000 last week and 970,000 a year ago. The USDA pork cutout came in at \$96.94, up 42 cents from Monday and up from \$94.57 the previous week. This was the highest it had been since September 27. The USDA hogs and pigs report last Friday had all hog supply above a year ago and slightly higher than expectations. Farrowing intentions for the next three quarters were at or slightly above expectations, but they were consistently behind a year ago, and the market seems to be drawing support from that idea. Avian flu being detected in dairy herds may have supported the pork market on ideas that it could scare consumers away from beef, especially if the story becomes "front page news." The CME Lean Hog Index as of March 29 was 84.78, up from 84.60 the previous session and 83.59 the previous week.



TODAY'S MARKET IDEAS:

The next upside target in June hogs is 110.70. Buying support comes in at 102.32 and 101.57.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/03/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 105.670. The next area of resistance is around 104.650 and 105.670, while 1st support hits today at 102.770 and below there at 101.900.

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	176.370	31.93	36.40	27.34	20.19	177.66	180.31	182.29	182.30	180.08
FCK24	244.850	30.44	34.93	21.87	17.79	246.13	250.56	253.88	255.47	251.81

LHM24 103.720 67.29 64.60 61.68 72.53 102.57 101.44 101.61 99.42 97.78

Calculations based on previous session. Data collected 04/02/2024

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	173.120	174.850	176.170	177.900	179.200
FCK24	Feeder Cattle	239.524	242.449	244.325	247.249	249.125
LHM24	Lean Hogs	101.870	102.750	103.770	104.650	105.670

Calculations based on previous session. Data collected 04/02/2024

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