

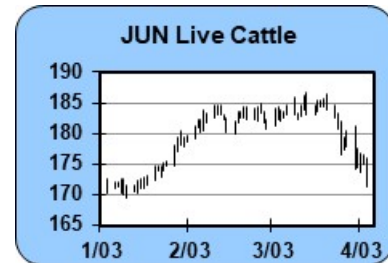


DAILY LIVESTOCK COMMENTARY
Monday April 08, 2024

DAILY CATTLE COMMENTARY
4/8/2024

Back to consolidation support around 170.00.

June cattle extended their selloff on Friday despite a lack of news on the Avian flu front. Slaughter and cattle weights were both higher last week, resulting in a surge in beef production. The USDA estimated cattle slaughter totaled 609,000 head for the week, up from 586,000 the previous week and 605,000 a year ago. The estimated average dressed cattle weight last week was 845 pounds, up from 843 the previous week and 820 a year ago. The five-year average weight for that week is 822 pounds. Estimated beef production last week was 513.7 million pounds, up from 494.5 million a year ago. The USDA boxed beef cutout was 2 cents higher on Friday at \$297.17. This was down from \$306.72 the previous week but up from \$292.91 a year ago. The five-area weighted average live cattle price last week was \$186.19, down from \$188.08 the previous week. In Texas/Oklahoma the average price was \$184 versus \$185.75 the previous week. Friday's Commitments of Traders report showed managed money traders were net sellers of 5,883 contracts of live cattle for the week ending April 5, reducing their net long to 53,281, which is in the middle of the historic range and would be considered neutral. The selling trend is short-term negative.



TODAY'S MARKET IDEAS:

June cattle have fallen into an extended consolidation zone from mid-December to mid-January, bound roughly by 170 and 168.75, and this area could provide support in the early part of this week. A key bull/bear line today could be 171.40, Friday's low and just below the 0.618 retracement of December-March rally. Look for resistance at 174.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Livestock						
Feeder Cattle	5,187	+570	2,709	-60	-7,897	-511
Cattle	83,919	-6,344	-69,486	+5,381	-14,434	+963

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) 04/08/2024: Momentum studies are declining, but have fallen to oversold levels. The

market's close below the 9-day moving average is an indication the short-term trend remains negative. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 168.350. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 174.300 and 177.370, while 1st support hits today at 169.800 and below there at 168.350.

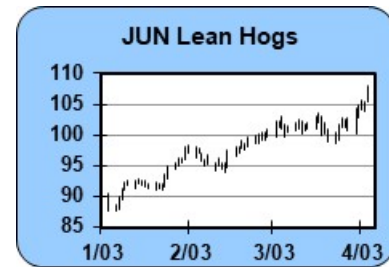
FEEDER CATTLE (MAY) 04/08/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 231.969. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 241.812 and 246.518, while 1st support hits today at 234.538 and below there at 231.969.

DAILY HOGS COMMENTARY

4/8/2024

June could be overpriced relative to cash.

June hogs reached new contract highs last week on expectations for lower supply this summer, but this has taken the market to overbought levels. The USDA pork cutout reached its highest level since September 25 last week, which supports packer margins in the face of higher hog prices. The low price of pork relative to beef and the discovery of bird flu in dairy cattle may have also encouraged retailers to favor pork. If the flu story fails to create much concern by consumers, beef may regain favorability among retailers. The CME Lean Hog Index as of April 3 was 85.88, up from 85.15 the previous session and 84.25 the previous week.



The USDA estimated hog slaughter came in at 2.421 million head last week, up from 2.404 million the previous week and 2.370 million a year ago. Estimated US pork production last week was 521.2 million pounds, up from 517.6 million the previous week and 514.4 million a year ago. The USDA pork cutout came in at \$97.84 on Friday, down 22 cents from Thursday but up from \$93.06 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 11,977 contracts of lean hogs for the week ending April 2, increasing their net long to 76,928. This is their largest net long since February 2022, and leaves the market vulnerable to heavy selling if support levels are taken out.

TODAY'S MARKET IDEAS:

As of April 3, June hogs were trading at an 18.90 premium to the cash market versus a premium of 15.62 a year prior and a five-year average of 9.38 for that date, and that reading was taken when the futures were 3.00 lower than where they closed on Friday. This could leave June hogs a bit top-heavy. The next upside target comes in at 108.32, followed by 110.70. Look for support at 104.95.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
	Non-Commercial		Commercial	Commercial	Non-Reportable	
	Net Position	Weekly Net Change			Net Position	Weekly Net Change
Livestock						
Hogs	93,324	+13,428	-80,420	-12,020	-12,904	-1,407

PORK 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.

LEAN HOGS (JUN) 04/08/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside objective is 109.900. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 109.200 and 109.900, while 1st support hits today at 106.600 and below there at 104.670.

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	172.050	23.30	29.16	18.82	12.46	174.97	177.12	180.76	182.01	180.28
FCK24	238.175	24.01	29.06	16.34	12.18	242.37	245.44	251.32	254.82	252.14
LHM24	107.900	81.62	75.78	77.93	89.39	105.34	103.44	102.37	99.99	98.48

Calculations based on previous session. Data collected 04/05/2024

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	168.320	169.770	172.850	174.300	177.370
FCK24	Feeder Cattle	231.968	234.537	239.243	241.812	246.518
LHM24	Lean Hogs	104.650	106.570	107.270	109.200	109.900

Calculations based on previous session. Data collected 04/05/2024

Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.