



DAILY LIVESTOCK COMMENTARY

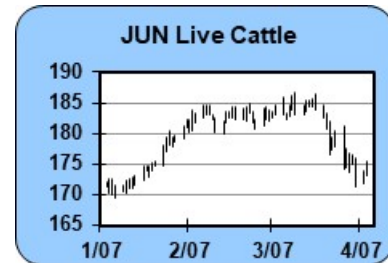
Thursday April 11, 2024

DAILY CATTLE COMMENTARY

4/11/2024

Bird flu in a North Carolina dairy; still no beef herd.

June live cattle were back lower yesterday today following a two day bounce off Friday's lows. The market may have gotten oversold on fears stemming from Avian flu last week, but that does not discount the nagging concerns about heavy cattle weights, increased meat production, and soft beef prices. North Carolina has become the seventh US state to detect the bird flu virus in a dairy herd. This keeps the flu story in the headlines, but once again, no beef herds have been reported with the strain. The USDA estimated cattle slaughter came in at 112,000 head yesterday. This brings the total for the week so far to 358,000 head, up from 352,000 last week but down from 361,000 a year ago. The USDA boxed beef cutout was down \$2.85 at mid-session yesterday and closed \$3.86 lower at \$298.23. This was down from \$301.30 the previous week. There were 188 head of cash live cattle reported in Kansas yesterday at \$182, which was steady with Monday (a similar light-volume day) but down from \$183.75 last week. There has been talk of steady to higher trade expected for this week, but volume has been too light for an adequate test.



TODAY'S MARKET IDEAS:

June cattle may see choppy to lower trade ahead unless boxed beef prices start to show some strength and/or stronger cash cattle prices emerge. Look for support at 170.00 and 169.00, with resistance at 177.50.

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.

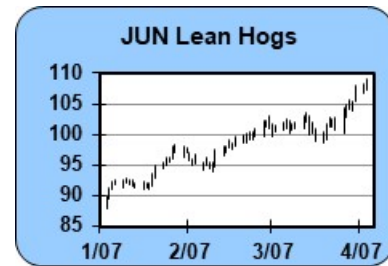
LIVE CATTLE (JUN) 04/11/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 170.200. The next area of resistance is around 174.400 and 176.370, while 1st support hits today at 171.320 and below there at 170.200.

FEEDER CATTLE (MAY) 04/11/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 1st swing support could weigh on the market. The next downside target is now at 232.294. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 238.912 and 241.843, while 1st support hits today at 234.138 and below there at 232.294.

DAILY HOGS COMMENTARY
4/11/2024

Technical action suggests a major top.

June hogs saw a key reversal lower yesterday with the market opening at a new contract high and then selling off and closing sharply lower on the day. This has all the markings of a key reversal top. June hogs were trading at a \$20.10 premium to the lean index as of April 8 versus \$15.65 a year prior and a five-year average of \$10.54, leaving the futures vulnerable to a selloff. Higher hog weights, an active slaughter pace this week and a slight decline pork cutout values conspired to pull support from the market. The average hog weight for Iowa-Southern Minnesota as of April 6 was 288.0 pounds, up from 287.1 the previous week and 287.4 a year ago. The 5-year average is 286.9 pounds. The increase in weights coming at a time when they typically work lower is bearish. The CME Lean Hog Index as of April 8 was 87.88, up from 87.05 the previous session and 84.92 the previous week. The USDA estimated hog slaughter came in at 489,000 head yesterday. This brings the total for the week so far to 1.428 million head, up from 1.338 million last week and 1.310 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.52, down 22 cents from Tuesday but up from \$94.74 the previous week. Tuesday's cutout was the highest since September 19.



TODAY'S MARKET IDEAS:

The reversal lower from a contract high in June hogs looks like a major top. If the selling continues today, look for support at 104.15 and 103.07, with resistance at 105.97 and 107.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/11/2024: The daily stochastics gave a bearish indicator with a crossover down. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The outside day down is somewhat 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 101.570. The next area of resistance is around 107.950 and 111.200, while 1st support hits today at 103.150 and below there at 101.570.

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	172.820	32.52	34.90	15.76	14.04	173.27	175.16	178.96	181.51	180.38
FCK24	236.525	26.95	30.31	11.38	8.58	237.83	241.56	248.16	253.68	252.17

LHM24 105.520 57.85 60.30 84.46 81.39 107.49 105.38 103.30 100.69 99.21

Calculations based on previous session. Data collected 04/10/2024

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	170.170	171.300	173.270	174.400	176.370
FCK24	Feeder Cattle	232.293	234.137	237.068	238.912	241.843
LHM24	Lean Hogs	101.550	103.120	106.370	107.950	111.200

Calculations based on previous session. Data collected 04/10/2024

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