

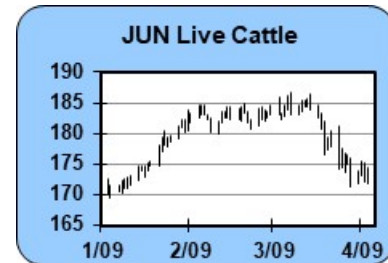


DAILY LIVESTOCK COMMENTARY Friday April 12, 2024

DAILY CATTLE COMMENTARY 4/12/2024

Cash cattle prices trending lower.

June live cattle are finding some support this week after the steep selloff from mid-March, but the market may see renewed pressure if cash cattle prices do not stabilize. Counter to expectations, average cash live cattle prices are lower this week, primarily due to heavy trade volume reported in Kansas. The five-day, five-area weighted average price is \$183.89 down from \$185.53 last week. The USDA boxed beef cutout was 14 cents higher yesterday at \$298.37. This was up from \$297.15 the previous week but below year-ago levels. Traders are looking for beef to trend higher as grilling season approaches. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 482,000 head, up from 474,000 last week but down from 486,000 a year ago. US beef export sales for the week ending April 4 came in at 13,637 tonnes, down from 18,682 the previous week and just below the four-week average of 13,988. Cumulative sales for 2024 have reached 335,900 tonnes, down from 368,100 a year ago and the lowest for this time of year since 2019. The USDA supply/demand report put US 2024 beef production at 26.455 billion pounds, up from 26.325 billion in the March report but down from 26.963 billion in 2023. First quarter production was revised down by 35 million pounds and second quarter by 65 million. Production is expected to increase by 185 million pounds in the second quarter, which is typical for the period, but it is expected to decline by 160 million in the third quarter, which will only be the second time this has happened in the last 20 years.



TODAY'S MARKET IDEAS:

June cattle may struggle to hold last week's lows if they don't see higher cash prices. Look for support at 171.40 and 169.00, with resistance at 175.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (JUN) 04/12/2024: 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 daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 171.020. The next area of resistance is around 175.150 and 176.050, while 1st support hits today at 172.650 and below there at 171.020.

FEEDER CATTLE (MAY) 04/12/2024: Daily stochastics declining into oversold territory suggest the selling may

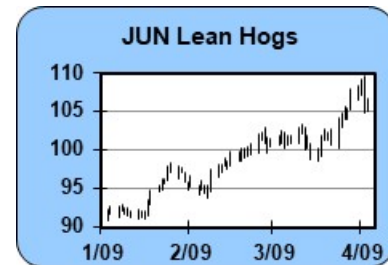
be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 233.282. The next area of resistance is around 240.237 and 241.631, while 1st support hits today at 236.063 and below there at 233.282.

DAILY HOGS COMMENTARY

4/12/2024

A major top could be in place.

June hogs are under the negative influence of a key reversal top from Wednesday, and though it may see some choppy trade ahead, severe technical damage has been done. The market only saw mild support yesterday despite a strong weekly export sales report and further gains in pork prices. US pork export sales for the week ending April 4 came in at 47,410 tonnes, up from 28,708 the previous week and the second highest since December 21. Cumulative sales for 2024 have reached 715,178 tonnes, up from 681,431 a year ago. This is the highest since 2021 but below the five-year average of 780,992. The USDA estimated hog slaughter came in at 491,000 head yesterday. This brings the total for the week so far to 1.919 million head, up from 1.829 million last week and 1.790 million a year ago. The USDA pork cutout came in at \$100.27, up 75 cents from Wednesday and the highest it has been since September 19. The CME Lean Hog Index as of April 9 was 88.78, up from 87.88 the previous session and 85.15 the previous week. The USDA supply/demand report put US 2024 pork production at 28.090 billion pounds, up from 27.910 billion in the March update and 27.301 billion for 2023. First-quarter production was revised down by 50 million pounds, but the next three were revised up by 45, 70, and 115 million respectively.



TODAY'S MARKET IDEAS:

July hogs may see some choppy action, but the key reversal top on Wednesday presents a bearish technical argument that it difficult to overcome. If the selling resumes, look for support at 103.15 and 102.85, with resistance at 105.97 and 107.40. The first retracement of the rally from the contract low on January 2 to the contract high this week comes in at 101.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/12/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 104.250. The next area of resistance is around 106.600 and 107.420, while 1st support hits today at 105.020 and below there at 104.250.

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	173.900	37.58	38.25	15.70	15.57	173.73	174.46	178.42	181.30	180.41
FCK24	238.150	32.59	33.96	11.12	10.61	237.83	240.38	247.17	253.28	252.16
LHM24	105.770	59.01	61.06	81.46	75.46	106.96	105.86	103.48	100.92	99.44

Calculations based on previous session. Data collected 04/11/2024

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	171.020	172.620	173.520	175.150	176.050
FCK24	Feeder Cattle	233.281	236.062	237.456	240.237	241.631
LHM24	Lean Hogs	104.220	105.000	105.820	106.600	107.420

Calculations based on previous session. Data collected 04/11/2024

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