

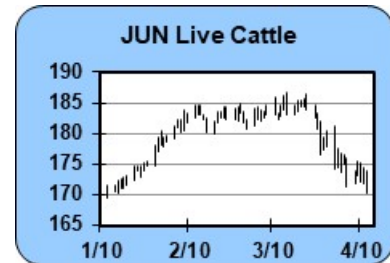


DAILY LIVESTOCK COMMENTARY
Monday April 15, 2024

DAILY CATTLE COMMENTARY
4/15/2024

Oversold on bird-flu; cash market less damaged.

Despite a disappointing cash trade last week, June live cattle may find support around 169.00, the bottom of a month-long consolidation that lasted from mid-December from mid-January. At Friday's low the market had fallen 16.375 from the March peak, while cash live cattle prices have fallen only 4.00 during the same period, which suggests that fund selling may have gotten ahead of the market. Cash live cattle were lower last week. As of Friday afternoon, the five-day, five-area weighted average price was \$183.48, down from \$185.53 the previous week and down from a peak of \$189.44 on March 22. The USDA estimated cattle slaughter came in at 603,000 head last week, down from 613,000 the previous week and 611,000 a year ago. The estimated average dressed cattle weight last week was 847 pounds, up from 845 the previous week and 819 a year ago. The 5-year average weight for that week is 821 pounds. Estimated beef production last week was 509.8 million pounds, up from 499.7 million a year ago. The USDA boxed beef cutout was \$2.20 higher on Friday at \$300.57. This was up from \$297.17 the previous week. Texas Agriculture Commissioner Sid Miller commented that avian influenza concerns have been a little bit overhyped. He pointed out that the state has not seen any additional infections in here weeks. Friday's Commitments of Traders report showed managed money traders were net sellers of 16,305 contracts of live cattle for the week ending April 9, reducing their net long to 36,976. This was their fourth straight week of selling.



TODAY'S MARKET IDEAS:

The long liquidation trend is bearish, but the market has reached short-term oversold levels, and it may take a while to work below the heavy consolidation from December-January. Look for support in June cattle at 169.05 with resistance at 175.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
Livestock	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Weekly Net Change	Weekly Net Change	
Feeder Cattle	1,339	-3,848	3,970	+1,261	-5,311	+2,586
Cattle	68,150	-15,769	-55,288	+14,198	-12,862	+1,572

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.

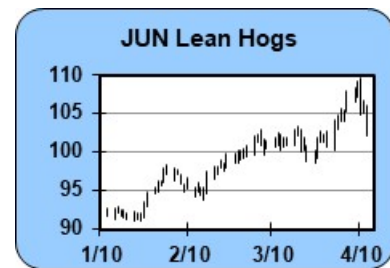
LIVE CATTLE (JUN) 04/15/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 168.050. The next area of resistance is around 173.350 and 175.570, while 1st support hits today at 169.600 and below there at 168.050.

FEEDER CATTLE (MAY) 04/15/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside objective is 229.288. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 236.950 and 240.287, while 1st support hits today at 231.450 and below there at 229.288.

DAILY HOGS COMMENTARY
4/15/2024

Strong slaughter pace, heavy fund selling, technical top.

June hogs are under the negative influence of a key reversal top from last week. Pork prices have eased after reaching their highest levels since last summer, and slaughter and pork production have picked up the past couple of weeks. The first retracement of the rally from the contract low on January 2 to last week's contract high comes in at 101.20, which could be an initial support level today. Friday's Commitments of Traders showed managed money traders were net long 92,731 contracts as of April 9, their biggest since 2013. This data was as of



last Tuesday, the day before the market experienced its key reversal lower and no doubt contributed to the heavy selling last Wednesday and Friday. The USDA estimated hog slaughter came in at 2.485 million head last week, up from 2.421 million the previous week and 2.427 million a year ago. Estimated US pork production last week was 534.6 million pounds, up from 521.2 million the previous week and 527.2 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$100.17, down 10 cents from Thursday but up from \$97.84 the previous week. The CME Lean Hog Index as of April 10 was 89.84, up from 88.78 the previous session and 85.88 the previous week.

TODAY'S MARKET IDEAS:

June hogs are down 7% in three sessions, but technical indicators are not flashing oversold. Look for support today at 101.20 and 100.60, with resistance at 105.00 and 106.67.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	110,102	+16,778	-94,629	-14,209	-15,474	-2,570

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/15/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 99.100. The next area of resistance is around 104.050 and 107.020, while 1st support hits today at 100.100 and below there at 99.100.

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	171.450	31.46	33.92	14.99	13.58	173.27	174.03	177.65	181.07	180.39
FCK24	234.200	26.91	29.87	10.53	9.34	237.08	239.44	245.78	252.79	252.06
LHM24	102.070	40.36	46.74	74.01	59.11	105.50	105.70	103.43	101.07	99.61

Calculations based on previous session. Data collected 04/12/2024
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	168.020	169.570	171.800	173.350	175.570
FCK24	Feeder Cattle	229.287	231.450	234.787	236.950	240.287
LHM24	Lean Hogs	99.070	100.070	103.050	104.050	107.020

Calculations based on previous session. Data collected 04/12/2024
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