



DAILY LIVESTOCK COMMENTARY

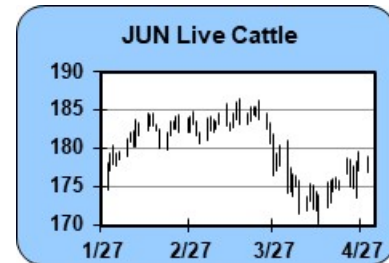
Wednesday May 01, 2024

DAILY CATTLE COMMENTARY

5/1/2024

Weak beef market, heavy cattle weights.

June cattle gapped lower yesterday and traded to their lowest level since April 24, as the market was apparently disappointed that it failed to test the 200-day moving average after working towards that level for the previous two weeks. The market sunk after USDA said on Monday that it would test ground beef samples in retail stores in the nine states with confirmed bird flu outbreaks in dairy herds. The department added that it was confident the country's meat supply is safe, but we suspect the news of the testing makes the public less confident. We are in a time of year when beef demand is expected to see a seasonal increase with the approach of the Memorial Day holiday and the official start of grilling season. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 237,000 head, down from 238,000 last week and 249,000 a year ago. The USDA boxed beef cutout was down \$1.49 at mid-session yesterday and closed \$3.16 lower at \$294.37. This was down from \$297.40 the previous week and was the lowest it had been since February 14. Cash cattle in Iowa/Minnesota have traded in a range of \$185-\$186 so far this week with a weighted average of \$185.26 versus an average of \$185.56 last week.



TODAY'S MARKET IDEAS:

Heavy cattle weights could keep beef production high into a key demand period. Boxed beef prices are the lowest since February. The bird flu story keeps rearing its ugly head and bringing bouts of panic selling. Look for support in June cattle held at 173.95 and 173.575, with resistance at 177.225.

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) 05/01/2024: The daily stochastics have crossed over down which is a bearish indication. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 172.820. The next area of resistance is around 176.150 and 177.550, while 1st support hits today at 173.800 and below there at 172.820.

FEEDER CATTLE (AUG) 05/01/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A negative signal for trend short-term was given on a close under the 9-bar moving

average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next upside target is 260.899. The next area of resistance is around 257.874 and 260.899, while 1st support hits today at 253.125 and below there at 251.400.

DAILY HOGS COMMENTARY

5/1/2024

Could be on the verge of a technical breakdown.

June hogs are still under the influence of a key reversal lower from April 10, but they have found support at the bottom of a two-week trading range that coincides with an initial retracement of the rally from the contract low on January 2 to the contract high on April 10. This is somewhat precarious support, and a break below there would suggest a move to the next retracement at 98.60. The CME Lean Hog Index as of April 26 was 90.36, down from 90.88 the previous session and 91.31 the previous week. The USDA estimated hog slaughter came in at 482,000 head yesterday. This brings the total for the week so far to 958,000 head, down from 968,000 last week but up from 923,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.86, down \$1.38 from Monday but up from \$96.18 the previous week. A large net long held by the funds leaves the market vulnerable to heavy selling if support levels are taken out. June hogs were trading at a 12.12 premium to the lean hog index on April 26 versus 16.53 a year ago and a five-year average of 6.90.



TODAY'S MARKET IDEAS:

Key support for June hogs comes in at 101.07, and if the market falls below there, it will reinforce the idea that the April high was a major top, leaving the next downside target at 98.60. Look for resistance at 104.77.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/01/2024: 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 has a slightly positive tilt with the close over the swing pivot. The next downside objective is 100.850. The next area of resistance is around 103.400 and 104.600, while 1st support hits today at 101.520 and below there at 100.850.

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	174.950	44.02	44.78	68.88	67.37	177.13	176.67	175.18	179.25	180.14

FCQ24	255.500	48.35	47.90	78.18	79.04	258.49	257.33	253.29	260.21	262.45
LHM24	102.470	40.89	45.73	39.19	29.37	103.11	104.54	104.82	102.91	101.39

Calculations based on previous session. Data collected 04/30/2024

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	172.800	173.770	175.170	176.150	177.550
FCQ24	Feeder Cattle	251.399	253.124	256.149	257.874	260.899
LHM24	Lean Hogs	100.820	101.500	102.700	103.400	104.600

Calculations based on previous session. Data collected 04/30/2024

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