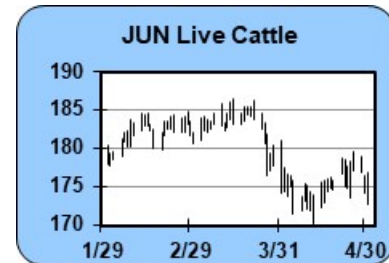




DAILY CATTLE COMMENTARY
5/2/2024

Heavy animal weights and demand worries.

June cattle's reversal lower yesterday suggests the market will head back to the bottom of the April trading range. Heavy animal weights, sluggish beef prices, and nagging concerns that the bird flu anxiety will hurt beef consumption have pressured prices this week. Beef prices can find support this time of year as we head into grilling season, but the heavy weights suggest there will be ample supply ahead. The USDA said yesterday that all the ground beef samples sent to the National Veterinary Services Laboratories for PCR testing were negative for the H5N1 flu virus, but traders worry the even the mention of the tests will harm demand if the story starts to gain attention. Cash cattle in Iowa/Minnesota traded at \$186-\$187 yesterday with an average of \$186.41. This was up from \$186 on Tuesday and \$185 on Monday, but the reported volume was light and probably not enough for an adequate test of the market. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 360,000 head, down from 363,000 last week and 374,000 a year ago. The USDA boxed beef cutout fell 83 cents yesterday to \$293.54. This was down from \$295.74 the previous week and was the lowest it had been since February 13.



TODAY'S MARKET IDEAS:

The 50-day moving average crossed below the 200-day in June cattle this week, which is a classic bearish signal. A break below the April low at 170.25 would set the market up for a test of the contract low from December at 162.775. Look for 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) 05/02/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The outside day down is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is 170.170. The next area of resistance is around 175.900 and 178.450, while 1st support hits today at 171.800 and below there at 170.170.

FEEDER CATTLE (AUG) 05/02/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market setup is somewhat negative with the close under the 1st swing support. The next

downside target is 246.400. The next area of resistance is around 254.825 and 258.700, while 1st support hits today at 248.675 and below there at 246.400.

DAILY HOGS COMMENTARY

5/2/2024

Large fund net could accelerate selling.

June hogs have resumed their downtrend off the April 10 contract highs with the break below taking out last week's lows. The most recent Commitments of Traders report showed a managed money net long of 92,000+ contracts as of April 23, which was close to a record level. This has left the market vulnerable to heavy selling as support levels are taken out. The average hog weight for Iowa-Southern Minnesota as of April 27 was 287.1 pounds, up from 287 the previous week and 285.9 a year ago. The five-year average is 286.6 pounds. The CME Lean Hog Index as of April 29 was 90.26, down from 90.36 the previous session and 91.45 the previous week. The USDA estimated hog slaughter came in at 480,000 head yesterday. This brings the total for the week so far to 1.438 million head, down from 1.451 million last week but up from 1.391 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.80, down 6 cents from Tuesday but up from \$96.09 the previous week.



TODAY'S MARKET IDEAS:

The hog market is under the influence of a key reversal top from April 10, and the fund net long is burdensome. Yesterday's selloff leaves a downside swing objective at 99.97, with retracement support at 98.60. Look for resistance at 103.97.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/02/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 98.000. The next area of resistance is around 102.020 and 104.370, while 1st support hits today at 98.850 and below there at 98.000.

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 | 173.820 | 40.33 | 42.33 | 65.11 | 57.57 | 176.14 | 176.50 | 175.28 | 179.04 | 180.03 |
| FCQ24 | 251.750 | 40.46 | 42.64 | 74.71 | 67.75 | 256.86 | 257.04 | 253.46 | 259.79 | 262.18 |

LHM24 100.400 33.09 39.80 32.79 20.00 101.96 104.29 104.40 102.93 101.47

Calculations based on previous session. Data collected 05/01/2024

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 | 170.150 | 171.770 | 174.300 | 175.900 | 178.450 |
| FCQ24 | Feeder Cattle | 246.400 | 248.675 | 252.550 | 254.825 | 258.700 |
| LHM24 | Lean Hogs | 97.970 | 98.820 | 101.170 | 102.020 | 104.370 |

Calculations based on previous session. Data collected 05/01/2024

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