



DAILY LIVESTOCK COMMENTARY

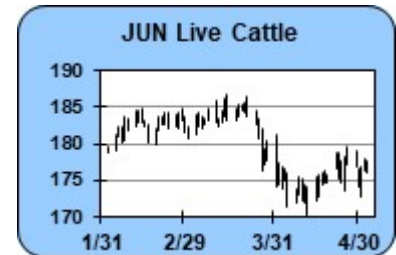
Monday May 06, 2024

DAILY CATTLE COMMENTARY

5/6/2024

Heavy cattle weights boost beef supply.

The approach of summer grilling season should mean more active beef demand, but support for prices has been undercut by expectations for ample supply due to heavy cattle weights. The USDA estimated cattle slaughter came in at 619,000 head last week, up from 613,000 the previous week but down from 621,000 a year ago. The estimated average dressed cattle weight last week was 848 pounds, unchanged from the previous week but up from 819 a year ago. It was these heavy weights that brought beef production to an estimated 523.9 million pounds last week, up from 507.3 million a year ago. The USDA boxed beef cutout was \$1.30 higher on Friday at \$294.20 but down from \$297.14 the previous week. Cash live cattle were firmer last week. As of Friday afternoon, the five-day, five area weighted average price was \$185.84, up from \$183.99 the previous week. The bird flu story has brought in some fund selling at times, but so far, fears that it would have a meaningful impact on demand have been unfounded. Tests of ground beef come up negative for the virus in states where it was present in dairy herds. Friday's Commitments of Traders report showed managed money traders were net sellers of 2,034 contracts of live cattle for the week ending April 30, reducing their net long to 33,620. This was down from 103,000 in September and an all-time high of 155,000 from 2019 and indicates the market is far from overbought.



TODAY'S MARKET IDEAS:

Heavy weights limit upside potential the cattle market. Look for support in June cattle 175.325 and 174.075, with resistance at 177.50 and 179.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Livestock							
Feeder Cattle	1,101	-412	4,381	-130	-5,481	+542	
Cattle	64,412	-904	-52,140	-686	-12,272	+1,589	

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) 05/06/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close above the 9-day moving average suggests the short-

term trend remains positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 175.050. The next area of resistance is around 177.500 and 178.370, while 1st support hits today at 175.850 and below there at 175.050.

FEEDER CATTLE (AUG) 05/06/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 252.675. The next area of resistance is around 255.800 and 256.875, while 1st support hits today at 253.700 and below there at 252.675.

DAILY HOGS COMMENTARY

5/6/2024

Fund net long still substantial but market down 9% in 2 weeks.

June hog prices have already fallen 10% from the contract high in April, and the pace of selling has slowed since the big selloff on Wednesday, but Friday's Commitments of Traders report suggested there could still be a significant long liquidation threat. The report showed managed money traders were net sellers of 7,008 contracts for the week ending April 30, reducing their net long to 85,379. This data was collected prior to the collapse in prices last week, so we suspect the fund net long is currently smaller than the report indicated.



Nonetheless, the net long was still in the vicinity of the record 92,731 from April 9. The CME Lean Hog Index as of May 1 was 90.92, up from 90.60 the previous session and 90.88 the previous week. The USDA estimated hog slaughter came in at 2.406 million head last week, up from 2.379 million the previous week but down from 2.452 million a year ago. Estimated US pork production last week was 519.8 million pounds, up from 513.3 million the previous week but down from 530.5 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$97.50, down 10 cents from Thursday but up from \$97.11 the previous week.

TODAY'S MARKET IDEAS:

After a 9% decline in less than two weeks, June hogs could be ready for a bounce. RSI at 28 suggests a short-term oversold condition. The market may find support at the 100-day moving average of 98.10; look for resistance at 101.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/23/2024 - 4/30/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Hogs	97,495	-7,458	-83,025	+6,062	-14,470	+1,396

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/06/2024: 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 98.070. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 99.470 and 100.250, while 1st support hits today at 98.400 and below there at 98.070.

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	176.670	51.67	49.75	61.34	58.17	175.58	176.47	175.58	178.82	179.84
FCQ24	254.750	48.04	47.62	67.68	60.04	254.31	256.82	254.11	259.24	261.65
LHM24	98.950	28.35	36.01	21.25	10.02	100.44	103.01	103.42	102.91	101.60

Calculations based on previous session. Data collected 05/03/2024

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	175.020	175.820	176.700	177.500	178.370
FCQ24	Feeder Cattle	252.675	253.700	254.775	255.800	256.875
LHM24	Lean Hogs	98.050	98.370	99.150	99.470	100.250

Calculations based on previous session. Data collected 05/03/2024

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