



## DAILY LIVESTOCK COMMENTARY

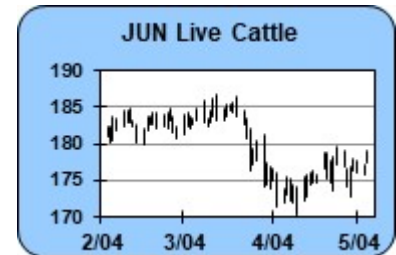
Wednesday May 08, 2024

### DAILY CATTLE COMMENTARY

5/8/2024

#### Seasonally strong demand offset by heavy weights.

We are in a period of seasonally strong beef demand with the approach of grilling season, and this provides underlying support to the cattle market. However, heavy cattle weights keep beef production strong, despite a slower slaughter pace than last year. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 244,000 head, up from 237,000 last week but down from 253,000 a year ago. The USDA boxed beef cutout was down 27 cents yesterday at \$298.49 but up from \$294.37 the previous week. No cash cattle trade was reported as of yesterday afternoon. The final report for Monday showed 1,960 head traded in Iowa/Minnesota at \$184-\$185 with an average price of \$184.98. This compares to an average of \$186.41 for last week.



#### TODAY'S MARKET IDEAS:

A move through the April 26 high at 179.65 would take the market to its highest level since April 1 and would reestablish the uptrend off the April 12 low. The 200-day moving average at 179.90 is also an important resistance level. Look for support at 177.425 and 175.775.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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**LIVE CATTLE (JUN) 05/08/2024:** The daily stochastics have crossed over up which is a bullish indication.

Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The gap upmove on the day session chart is a bullish indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 179.370. The next area of resistance is around 178.320 and 179.370, while 1st support hits today at 176.920 and below there at 176.500.

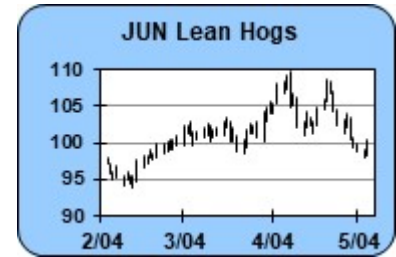
**FEEDER CATTLE (AUG) 05/08/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is now at 251.969. The next area of resistance is around 255.687 and 257.018, while 1st support hits today at 253.163 and below there at 251.969.

# DAILY HOGS COMMENTARY

5/8/2024

## Weak pork trend and fund liquidation threat.

June hogs may be trying to build a base of support, but the large net long held by the funds is a formidable presence. Traders are looking at lower pork values and a strong slaughter pace relative to last year, neither of which is particularly bullish. The USDA pork cutout, released after the close yesterday, came in at \$96.15, down \$2.35 from Monday and down from \$97.86 the previous week. The CME Lean Hog Index as of May 3 was 90.80, down from 90.96 the previous session but up from 90.36 the previous week. June hogs were trading at an 8.22 premium to the cash index that day versus 8.65 a year ago and a 5-year average of 5.70. The USDA estimated hog slaughter came in at 478,000 head yesterday. This brings the total for the week so far to 959,000 head, up from 958,000 last week and 917,000 a year ago. China plans to release 30,000 tonnes of frozen pork from state reserves on May 9. Brazilian pork and poultry processor BRF reported a net profit of 594 million reais (\$117.17 million) in the first quarter, beating the average expectations for 450 million reais.



### TODAY'S MARKET IDEAS:

The selloff from the April high has alleviated an overbought technical condition, but the fund net long was large enough as of the recent COT report to suggest more liquidation is possible. June hogs bounced off the 100-day moving average yesterday but fell right back to it by the close, and that level, 98.25, could be key support today. A move below there could send the market back to the 200-day moving average at 96.05. Look for resistance at 100.62 and 102.55.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/08/2024: 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 close over the pivot swing is a somewhat positive setup. The next downside objective is now at 96.400. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 99.520 and 101.250, while 1st support hits today at 97.120 and below there at 96.400.

### 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
<b>MEAT COMPLEX</b>										
LCM24	177.620	55.53	52.25	61.35	62.81	177.02	176.71	176.02	178.55	179.62
FCQ24	254.425	48.06	47.56	56.60	46.13	254.32	255.89	254.71	258.56	261.11
LHM24	98.320	27.34	34.83	13.27	6.47	98.84	100.91	102.60	102.74	101.71

Calculations based on previous session. Data collected 05/07/2024  
Data sources can & do produce bad ticks. Verify before use.

### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCM24	Live Cattle	176.470	176.900	177.920	178.320	179.370
FCQ24	Feeder Cattle	251.968	253.162	254.493	255.687	257.018
LHM24	Lean Hogs	96.370	97.100	98.820	99.520	101.250

Calculations based on previous session. Data collected 05/07/2024  
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