



DAILY LIVESTOCK COMMENTARY

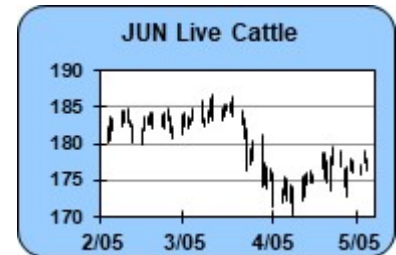
Thursday May 09, 2024

DAILY CATTLE COMMENTARY

5/9/2024

Seasonal demand versus heavy cattle weights.

This is a time of year traders expect demand to improve with the start of the grilling season, but beef prices are not cooperating. Cattle weights are well ahead of a year ago, which means beef production is much higher. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 367,000 head, up from 360,000 last week but down from 379,000 a year ago. The USDA boxed beef cutout was \$1.82 lower yesterday at \$296.67 but up from \$293.54 the previous week. Cash live cattle were quiet with no trades reported. On Monday there were 1,960 head reported in Iowa/Minnesota at \$184-\$185 with an average price of \$184.98, This would be down from an average of \$186.41 for last week.



TODAY'S MARKET IDEAS:

August cattle fell back yesterday after they failed to take out the 50-day moving average on Tuesday. The market is in a coiling pattern, with resistance at 176.90 and 177.925 and support at 173.60 and 170.075.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (JUN) 05/09/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 175.020. The next area of resistance is around 177.370 and 178.620, while 1st support hits today at 175.570 and below there at 175.020.

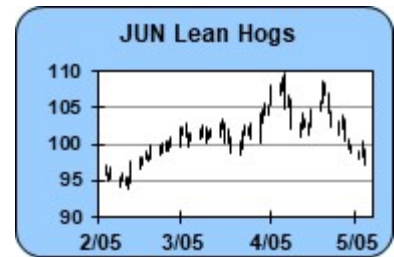
FEEDER CATTLE (AUG) 05/09/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next downside target is now at 249.582. The next area of resistance is around 254.037 and 256.131, while 1st support hits today at 250.763 and below there at 249.582.

DAILY HOGS COMMENTARY

5/9/2024

Middling fundamentals but short-term oversold.

July hogs have almost retraced 50% of their rally from a contract low on January 2 to their contract high last month; momentum indicators have fallen to oversold levels; and the market had a spike low yesterday. Last week's Commitments of Traders report showed managed money traders were net long 85,379 contracts as of April 30, which was still near the record high of 92,731 from April 9. But with the market having fallen another 5.47 since the 30th, the liquidation pressure could be easing. The average hog weight for Iowa-Southern Minnesota as of May 4 was 288.1 pounds, up from 287.1 pounds the previous week 285.6 a year ago. This was slightly above the 5-year average of 287.3 pounds, which is mildly bearish. The CME Lean Hog Index as of May 6 was 91.03, up from 90.80 the previous session and 90.26 the previous week. The USDA estimated hog slaughter came in at 477,000 head yesterday. This brings the total for the week so far to 1.436 million head, down from 1.438 million last week but up from 1.383 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$98.33, up \$2.18 from Tuesday and up from \$97.80 the previous week. China imported 544,000 tonnes of meat in April, down from 578,000 in March, according to General Administration of Customs data. January-April imports totaled 2.22 million tonnes versus 2.54 million for the same period last year.



TODAY'S MARKET IDEAS:

Near term fundamentals are a mixed bag, with Iowa hog weights slightly ahead of average, slaughter down this week, and the pork cutout higher. The trend is still down, but selling pressure may be easing as the market approaches retracement support at 100.55 in July hogs. Look for resistance at 104.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/09/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 96.320. The next area of resistance is around 99.820 and 100.750, while 1st support hits today at 97.620 and below there at 96.320.

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	176.450	49.90	49.00	60.94	60.11	176.94	176.57	176.29	178.39	179.50
FCQ24	252.400	43.23	44.52	50.36	37.87	253.61	255.23	255.09	258.18	260.81
LHM24	98.720	30.92	36.79	11.82	8.93	98.54	100.22	102.41	102.68	101.78

Calculations based on previous session. Data collected 05/08/2024

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	174.970	175.550	176.800	177.370	178.620
FCQ24	Feeder Cattle	249.581	250.762	252.856	254.037	256.131
LHM24	Lean Hogs	96.300	97.600	98.520	99.820	100.750

Calculations based on previous session. Data collected 05/08/2024

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