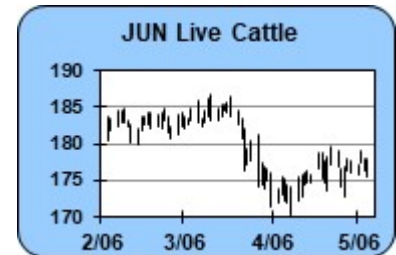




DAILY CATTLE COMMENTARY
5/10/2024

Heavy cattle weights versus seasonal beef demand increase.

August cattle are in a coiling pattern, as expectations of strong beef demand are countered by heavy cattle weights and sluggish boxed beef prices. The weekly export sales report yesterday showed US beef sales for the week ending May 2 at 12,337 tonnes, down from 22,482 the previous week and the lowest since March 14. (The previous week's sales were the highest since February 2023.) Cumulative sales for 2024 have reached 403,600 tonnes, down from 433,500 a year ago and the lowest in at least five years. The largest buyer was Japan at 4,427 tonnes, followed by South Korea at 1,912. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 489,000 head, up from 480,000 last week but down from 505,000 a year ago. The USDA boxed beef cutout was up 26 cents at mid-session yesterday but closed \$1.28 lower at \$295.39. This was up from \$292.90 the previous week. Cash live cattle traded in light volume on Thursday at steady/higher prices, but volume was too light for an adequate test. In Kansas 199 head were reported at \$185-\$187 with an average price of \$185.42 versus an average of \$184.09 last week. In Nebraska, 228 head were reported at \$186 versus an average of \$186.64 last week. The US CDC is planning to make public data on influenza A found in wastewater, possibly as soon as today, that could offer new clues into the outbreak of H5N1 bird flu in cattle herds. Team leader Amy Kirby told Reuters there is no indication of human infection with H5N1.



TODAY'S MARKET IDEAS:

August cattle are in a coiling pattern, with traders not sure whether to focus on heavy weights or seasonal beef demand. Look for resistance at 176.50, with support at 171.325 and 170.075.

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 (AUG) 05/10/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 171.700. The next area of resistance is around 174.870 and 176.320, while 1st support hits today at 172.570 and below there at 171.700.

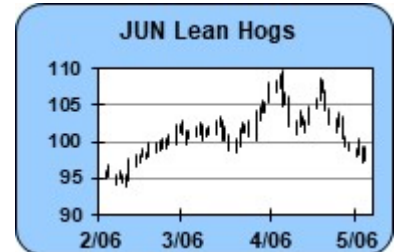
FEEDER CATTLE (AUG) 05/10/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Momentum studies are still bearish but are now at oversold levels and will tend

to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 248.550. The next area of resistance is around 252.650 and 254.950, while 1st support hits today at 249.450 and below there at 248.550.

DAILY HOGS COMMENTARY
5/10/2024

Closing in on a key support level.

July hogs fell to a six-week low yesterday but still held above the 50% retracement of the rally from the contract low to the contract high, and that level could be a key support area today. The market has been under the influence of a key reversal top since April 10. US pork export sales for the week ending May 2 came in at 24,410 tonnes, down from 33,383 the previous week and below the four-week average of 27,153. Cumulative sales for 2024 have reached 823,800 tonnes, down from 849,900 a year ago and below the five-year average of 911,700. The largest buyer was China at 6,908 tonnes, followed by Japan at 3,915. The CME Lean Hog Index as of May 7 was 91.28, up from 91.03 the previous session and 90.60 the previous week. The USDA estimated hog slaughter came in at 472,000 head yesterday. This brings the total for the week so far to 1.908 million head, down from 1.919 million last week but up from 1.849 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.46, down 87 cents from Wednesday and down from \$97.60 the previous week.



TODAY'S MARKET IDEAS:

Look for support in July hogs at 100.55, the 50% retracement of the rally from the contract low on January 2 to the contract high on April 10. Technicals indicate a short-term oversold condition, which could leave room for a bounce to 103.10 or 104.75. A move below support would project to 98.05. Funds were still heavily long in last week's Commitments of Traders report.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/10/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 99.570. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 101.970 and 103.300, while 1st support hits today at 100.120 and below there at 99.570.

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
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MEAT COMPLEX

LCQ24	173.700	47.53	47.43	57.51	54.26	174.48	174.03	174.29	176.26	177.67
FCQ24	251.050	40.20	42.56	42.98	28.24	252.69	254.18	255.16	257.79	260.51
LHN24	101.020	26.85	34.80	15.21	8.51	102.04	103.23	104.97	105.01	103.89

Calculations based on previous session. Data collected 05/09/2024

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						
LCQ24	Live Cattle	171.670	172.550	174.020	174.870	176.320
FCQ24	Feeder Cattle	248.549	249.450	251.750	252.650	254.950
LHN24	Lean Hogs	99.550	100.100	101.420	101.970	103.300

Calculations based on previous session. Data collected 05/09/2024

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