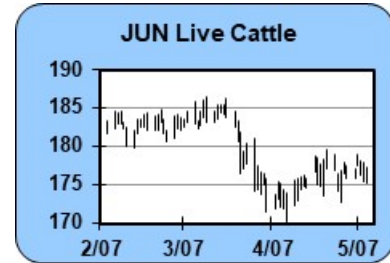




DAILY CATTLE COMMENTARY
 5/13/2024

Heavy weights and flat beef and cattle prices.

Heavy cattle weights are keeping beef production strong and offsetting expectations for stronger seasonal demand. The USDA estimated cattle slaughter came in at 622,000 head last week, unchanged from the previous week but down from 644,000 a year ago. The estimated average dressed cattle weight was 848 pounds, up from 817 a year ago and above the five-year average of 818 pounds. Estimated beef production last week was 526.6 million pounds, up from 525.1 million a year ago. The USDA boxed beef cutout ended last week at \$294.57, up slightly from \$294.20 the previous week. Cash live cattle prices were also mostly steady last week. The five-area weighted average cattle price was \$185.75 versus \$185.61 the previous week. The monthly USDA supply/demand report on Friday put US 2024 beef production at 26.662 billion pounds, up from 26.523 billion estimated in April. Their first estimate for 2025 production was 25.187 billion pounds, a 5.5% decline from 2024. The report also showed US beef production is expected to fall 190 million pounds from the second to the third quarters, which would be the largest decline for that period in at least twenty years. This may offer support to the market later this year. Friday's Commitments of Traders report showed managed money traders were net buyers of 3,309 contracts of live cattle for the week ending May 7, increasing their net long to 36,929. This is far from overbought.



TODAY'S MARKET IDEAS:

Heavy weights are keeping beef production high in the face of a seasonally strong demand period. Lower production in the third quarter could eventually support the market. Look for resistance in August cattle at 171.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/30/2024 - 5/7/2024							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Livestock							
Feeder Cattle	81	-1,020	5,000	+619	-5,082	+399	
Cattle	64,563	+151	-51,855	+285	-12,707	-435	

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 05/13/2024: Declining momentum studies in the neutral zone will tend to reinforce lower

price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 172.020. The next area of resistance is around 175.170 and 176.200, while 1st support hits today at 173.100 and below there at 172.020.

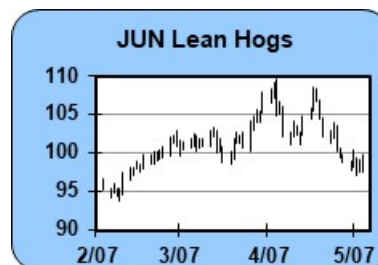
FEEDER CATTLE (AUG) 05/13/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 247.500. The next area of resistance is around 252.550 and 254.100, while 1st support hits today at 249.250 and below there at 247.500.

DAILY HOGS COMMENTARY

5/13/2024

Funds not so overbought anymore.

At last week's lows, July hogs held above the 50% retracement of the rally from the contract low to the contract high, and that level, 100.55, could be a major support area. The market has been under the influence of a key reversal top since April 10. Friday's Commitments of Traders showed managed money traders were net sellers of 20,208 contracts of lean hogs for the week ending May 7, reducing their net long to 65,171. This is down from a near-record 92,387 on April 23 and takes a good deal of selling pressure off the market. The CME Lean Hog Index as of May 8 was 91.28, unchanged from the previous



session and up from 90.92 the previous week. The USDA estimated hog slaughter came in at 2.390 million head last week, down from 2.407 million the previous week but up from 2.362 million a year ago. Estimated US pork production was 515.4 million pounds, down from 520.1 million the previous week but up from 507.7 million a year ago. The USDA pork cutout ended last week at \$99.14, up from \$97.50 the previous week and the highest it had been since April 29. The USDA monthly supply/demand report on Friday put 2024 US pork production at 28.079 billion pounds, down from 28.105 billion in the April report. The first estimate for 2025 production was 28.415 billion pounds, up 310 million from 2024. Brazilian pork exports reached 112,750 tonnes in April, according to the industry group ABPA, up 7.8% from the same period last year. China imported 36% less than a year ago and Hong Kong 35% less. Philippines, Singapore, Chile, Japan, and Vietnam all increased their imports. Two poultry and pork processing plants in Rio Grande do Sul are still seeing operations halted due to the flooding in the region.

TODAY'S MARKET IDEAS:

July hogs may find support at 100.55, the 50% retracement of the rally from the contract low on January 2 to the contract high on April 10. Fund liquidation pressure may ease as well now that the funds have liquidated about a third of their position. Technical indicators suggest a short-term oversold condition, which could leave room for a bounce to 103.10 or 104.75. However, it is hard to build a bullish fundamental case.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/30/2024 - 5/7/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Hogs	80,090	-17,405	-68,446	+14,579	-11,645	+2,825

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/13/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside objective is 99.700. The next area of resistance is around 102.450 and 103.670, while 1st support hits today at 100.470 and below there at 99.700.

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										
LCQ24	174.120	49.44	48.57	56.13	53.38	174.40	173.86	174.35	176.05	177.57
FCQ24	250.900	39.85	42.34	36.52	23.58	252.19	253.21	255.08	257.38	260.25
LHN24	101.450	30.95	37.03	12.66	7.55	101.86	102.78	104.82	104.97	103.95

Calculations based on previous session. Data collected 05/10/2024

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	172.020	173.070	174.100	175.170	176.200
FCQ24	Feeder Cattle	247.500	249.250	250.800	252.550	254.100
LHN24	Lean Hogs	99.670	100.450	101.670	102.450	103.670

Calculations based on previous session. Data collected 05/10/2024

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