



DAILY LIVESTOCK COMMENTARY

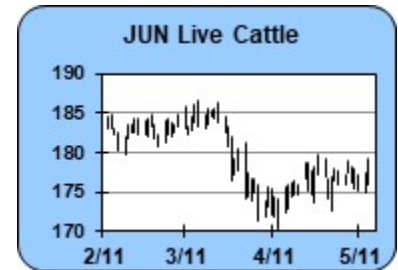
Wednesday May 15, 2024

DAILY CATTLE COMMENTARY

5/15/2024

Boxed beef prices rally as slaughter pace slows.

August cattle broke out to the upside of the recent trading range yesterday and traded to their highest level since April 26. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week to 239,000 head, down from 244,000 last week and 252,000 a year ago. The USDA boxed beef cutout was \$5.44 higher yesterday at \$304.39. This was up from \$298.49 the previous week and was the highest it had been since April 1. Cattle traders may be viewing the strength in the cutout this week as verification of strong seasonal demand. The higher cutout could also be due to retailer restocking after Mother's Day weekend. The cutout is also supported by a lower slaughter pace than last week.



TODAY'S MARKET IDEAS:

Higher boxed beef prices this week support the idea of a strong seasonal trend, but heavy cattle weights will offset a slower slaughter pace. A move above 177.925 in July cattle would keep the mild uptrend off the April low intact and would leave the 200-day average at 178.75 as the next resistance level. Look for support at 173.35 and 172.70.

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) 05/15/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 178.870. The next area of resistance is around 177.700 and 178.870, while 1st support hits today at 174.570 and below there at 172.600.

FEEDER CATTLE (AUG) 05/15/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. 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 cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 260.081. The next area of resistance is around 258.237 and 260.081, while 1st support hits today at 253.113 and below there at 249.832.

DAILY HOGS COMMENTARY

5/15/2024

Higher pork trend this week could lend support.

The main trend in the hog market is down, but the market is approaching technically oversold levels which could limit further downside. The positive trend in pork prices this week is supportive. The USDA pork cutout, released after the close yesterday, came in at \$100.38, down \$1.15 from Monday but up from \$96.15 the previous week. The recent Commitments of Traders report showed managed money traders had reduced their net long by about 30% from their record form early April, and prices have fallen about 2.50 since that data was collected. This may ease some of the selling pressure, but it still leaves plenty of fuel for long liquidation if selling takes hold. The CME Lean Hog Index as of May 10 was 91.22, down from 91.32 the previous session but up from 90.80 the previous week. The USDA estimated hog slaughter came in at 480,000 head yesterday. This brings the total for the week so far to 941,000 head, down from 959,000 last week but up from 936,000 a year ago.



TODAY'S MARKET IDEAS:

July hogs were back above the 50% retracement of the rally from the contract low on January 2 to the contract high on April 10 as well as the 100-day moving average yesterday after falling below there on Monday. A close back below 100.55 could spark a new round of selling that would leave a downside target of 98.05. Trendline resistance comes in at 101.20 today, with additional resistance at 103.07.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/15/2024: 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 market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 99.720. The next area of resistance is around 101.550 and 102.300, while 1st support hits today at 100.270 and below there at 99.720.

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	176.120	58.23	54.16	55.60	58.78	174.34	174.45	174.53	175.72	177.36
FCQ24	255.675	55.33	51.62	31.68	31.87	252.24	253.18	255.11	256.74	259.82
LHN24	100.900	33.78	37.60	9.38	7.54	100.87	101.88	104.40	104.85	104.01

Calculations based on previous session. Data collected 05/14/2024

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	172.570	174.550	175.720	177.700	178.870
FCQ24	Feeder Cattle	249.831	253.112	254.956	258.237	260.081
LHN24	Lean Hogs	99.700	100.250	101.000	101.550	102.300

Calculations based on previous session. Data collected 05/14/2024

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