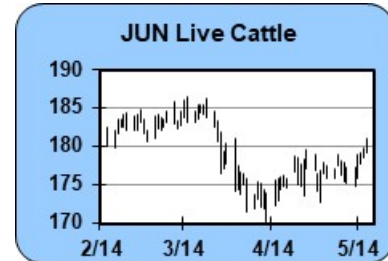




DAILY CATTLE COMMENTARY
 5/20/2024

Low slaughter pace more than offsets heavy cattle weights.

August cattle pressed above the previously formidable 200-day moving average resistance at 178.70 on Friday on a strong seasonal demand outlook. Cash live cattle traded in active volume in Kansas on Friday and decent volume in Iowa and Nebraska. In Kansas there were 13,624 head reported at \$184-\$190 with an average price of \$189.81, up from an average of \$184.25 the previous week. In Nebraska there were 4,643 head reported at \$188-\$190 with an average of \$189.78, up from \$186.52 the previous week. The USDA boxed beef cutout was up \$3.30 on Friday at \$313.45. This was up from \$294.57 the previous week and was the highest it had been since March 21. For a change, heavier cattle weights were not enough to offset lower slaughter levels las week. The USDA estimated cattle slaughter came in at 598,000 for the week, down from 622,000 the previous week and 640,000 a year ago. The estimated average dressed cattle weight last week was 850 pounds, up from 848 the previous week, 815 a year ago, and a five-year average of 816. Estimated beef production last week was 507.1 million pounds, down from 520.7 million a year ago. Friday's Commitments of Traders report showed managed money traders were net buyers of 321 contracts of live cattle for the week ending May 14, increasing their net long to 37,250. This is toward the lower end of the historic range, which is far from overbought.



TODAY'S MARKET IDEAS:

Memorial Day seasonal grilling demand is approaching, and August cattle closed above the 200-day moving average since March 26 on Friday, which opens the door for a move to 181.60. Look for support at 176.80 and 176.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 5/7/2024 - 5/14/2024 | | | | | | |
|--|----------------|-------------------|--------------|-------------------|--------------|----------------|
| | Non-Commercial | | Net Position | Commercial | | Non-Reportable |
| | Net Position | Weekly Net Change | | Weekly Net Change | Net Position | |
| Livestock | | | | | | |
| Feeder Cattle | 1,282 | +1,201 | 4,342 | -658 | -5,624 | -542 |
| Cattle | 67,229 | +2,666 | -53,453 | -1,598 | -13,777 | -1,070 |

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) 05/20/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 180.450. The next area of resistance is around 179.950 and 180.450, while 1st support hits today at 178.150 and below there at 176.800.

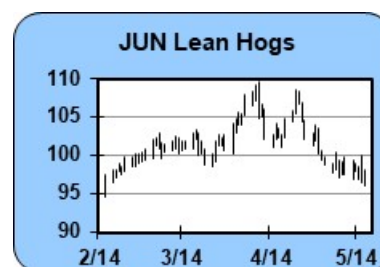
FEEDER CATTLE (AUG) 05/20/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 262.200. The next area of resistance is around 261.325 and 262.200, while 1st support hits today at 258.375 and below there at 256.300.

DAILY HOGS COMMENTARY

5/20/2024

Weak close leaves Thursday's low in jeopardy.

Disappointingly for the bull camp, Thursday's upside reversal rally was nearly erased on Friday, as July hogs reversed and came close to testing Thursday's three month low. Friday's Commitments of Traders report showed managed money traders were net sellers of 9,043 contracts of lean hogs for the week ending May 14, reducing their net long to 56,128. This is down about 40% from their a near-record net long of 92,731 on April 2 and indicates a substantial portion of the overbought condition has been corrected. The USDA estimated hog slaughter came in at 468,000 head Friday and 36,000 head for Saturday. This brought the total for last week to 2.404 million head, up from 2.379 million the previous week but down from 2.407 million a year ago. Estimated US pork production last week was 517.5 million pounds, up from 513.0 million the previous week and 516.8 million a year ago. The CME Lean Hog Index as of May 15 was 92.13, up from 91.76 the previous session and 91.28 the previous week. July hogs were trading at an 8.62 premium to the lean index as of May 15 versus a 15.02 premium a year ago and a five-year average of 10.11. The USDA pork cutout, released after the close Friday, came in at \$99.90, up 66 cents from Thursday and up from \$99.14 the previous week. China imported 90,000 tonnes of pork in April, down 36% from the same period last year. Year to date imports have reached 340,000 tonnes, down 48% from 2023.



TODAY'S MARKET IDEAS:

Upside retracement resistance for July hogs starts at 103.65 and extends to 104.96. Look for support on breaks below 100.50. A close below 99.47 would be a bearish development that would suggest prices could fall to the 200-day moving average at 97.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 5/7/2024 - 5/14/2024 | | | | | | |
|--|----------------|-------------------|--------------|-------------------|--------------|----------------|
| | Non-Commercial | | Net Position | Commercial | | Non-Reportable |
| | Net Position | Weekly Net Change | | Weekly Net Change | Net Position | |
| Livestock | | | | | | |
| Hogs | 71,727 | -8,363 | -61,605 | +6,841 | -10,121 | +1,524 |

PORK 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.

LEAN HOGS (JUL) 05/20/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 near-term upside target is at 102.470. The next area of resistance is around 101.100 and 102.470, while 1st support hits today at 99.020 and below there at 98.250.

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 | 179.050 | 68.46 | 61.24 | 70.78 | 83.57 | 177.27 | 175.56 | 174.95 | 175.36 | 177.15 |
| FCQ24 | 259.850 | 65.84 | 58.70 | 46.78 | 62.90 | 257.19 | 254.32 | 255.21 | 256.02 | 259.23 |
| LHN24 | 100.020 | 32.43 | 36.17 | 11.85 | 12.96 | 100.87 | 101.22 | 103.20 | 104.66 | 104.10 |

Calculations based on previous session. Data collected 05/17/2024

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 | 176.770 | 178.120 | 178.620 | 179.950 | 180.450 |
| FCQ24 | Feeder Cattle | 256.300 | 258.375 | 259.250 | 261.325 | 262.200 |
| LHN24 | Lean Hogs | 98.220 | 98.970 | 100.350 | 101.100 | 102.470 |

Calculations based on previous session. Data collected 05/17/2024

Data sources can & do produce bad ticks. Verify before use.

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