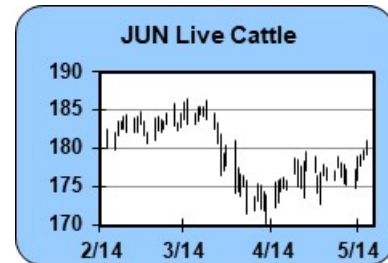




**DAILY CATTLE COMMENTARY**  
5/21/2024

**Lower boxed beef price may make longs nervous.**

August cattle traded to their highest since March 26 yesterday but closed lower on the day. They have closed above the 200-day moving average for two sessions in a row but just barely, and a move back below there today could initiate a selloff. The market has drawn support from expectations of increased demand for Memorial Day, and higher beef and cattle prices last week supported that idea. Slaughter was down sharply last week, and for the first time in a while, so was US beef production, as cattle weights were not enough of an offset. Processors have increased their pace this week, with the USDA estimated cattle slaughter coming in at 120,000 head yesterday, up from 116,000 last week but down from 125,000 a year ago. The USDA boxed beef cutout was up 80 cents at mid-session yesterday but closed 75 cents lower at \$312.70. This was still up from \$298.95 the previous week, but the late turnaround could make recent longs nervous. Cash live cattle were quiet yesterday with no trades reported. The five-area weighted average steer price last week was \$188.54, up from \$185.94 the previous week and \$175.15 a year ago. China imported \$1.785 million worth of fresh or chilled beef from Russia from January through April, a 30% increase from the same period last year, but frozen meat purchases fell 19% to \$25.137 million.



**TODAY'S MARKET IDEAS:**

The decline in boxed beef prices yesterday afternoon could make recent buyers in the August futures a bit nervous. The market has is hovering right around the 200-day moving average at 178.65, which could be a key bull/bear line. A close solidly above that line would leave the market in position to test resistance at 181.60 and 185.00. Look for support at 176.80 and 176.10.

**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) 05/21/2024:** Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 180.300. The next area of resistance is around 179.270 and 180.300, while 1st support hits today at 177.800 and below there at 177.320.

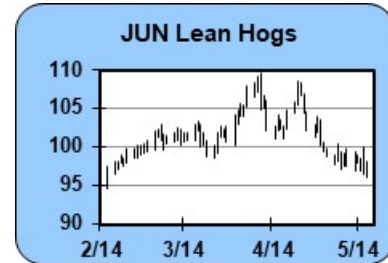
**FEEDER CATTLE (AUG) 05/21/2024:** The major trend has turned down with the cross over back below the 60-day moving average. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The

market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 261.993. The next area of resistance is around 259.987 and 261.993, while 1st support hits today at 256.963 and below there at 255.944.

**DAILY HOGS COMMENTARY**  
**5/21/2024**

**Holds last week's low, barely. Still vulnerable to a selloff.**

July hogs' closing only slightly lower on the day yesterday after trading to their lowest level since February 22 does not suggest an aggressively bearish posture. The CME Lean Hog Index as of May 16 was 92.29, up from 92.13 the previous session and 91.32 the previous week. The USDA estimated hog slaughter came in at 482,000 head yesterday, up from 461,000 last week and 472,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$101.19, up \$1.29 from Friday but down from \$101.53 the previous week. Reuters reported that hog farmers in Rio Grande do Sul, Brazil lost an estimated 12,600 animals due to floods. The Commitments of Traders report last week showed the funds had sold off roughly one-third of their record net long position from April, which eases some of the selling pressure.



**TODAY'S MARKET IDEAS:**

July hogs avoided a steep selloff yesterday despite probing below last week's lows. 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. Look for resistance at 103.10 and 103.59.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**PORK COMPLEX TECHNICAL OUTLOOK:**

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LEAN HOGS (JUL) 05/21/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 101.500. The next area of resistance is around 100.700 and 101.500, while 1st support hits today at 99.200 and below there at 98.470.

**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
<b>MEAT COMPLEX</b>										
LCQ24	178.550	65.19	59.48	75.46	84.81	177.88	175.90	175.24	175.27	177.07
FCQ24	258.475	60.31	55.71	53.92	68.21	257.89	254.77	255.33	255.83	259.03

LHN24 99.950 31.97 35.85 11.86 11.90 100.63 100.94 102.65 104.56 104.09

Calculations based on previous session. Data collected 05/20/2024

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

### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCQ24	Live Cattle	177.300	177.770	178.800	179.270	180.300
FCQ24	Feeder Cattle	255.943	256.962	258.968	259.987	261.993
LHN24	Lean Hogs	98.450	99.170	99.970	100.700	101.500

Calculations based on previous session. Data collected 05/20/2024

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