



DAILY LIVESTOCK COMMENTARY

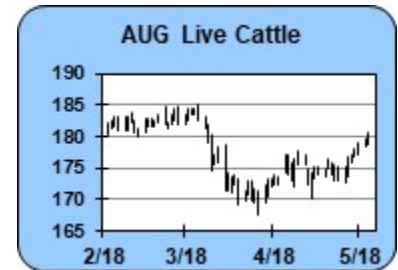
Wednesday May 22, 2024

DAILY CATTLE COMMENTARY

5/22/2024

Seasonal beef demand, firm cash cattle.

August cattle closed sharply higher yesterday at its highest level since March 21. Strong seasonal demand, higher beef prices, and stronger cash cattle all supported the move. The market moved above the 200-day moving average for the first time since late March on Friday, and it has managed to hold there this week. Packer margins have moved into the black this week. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 242,000 head, up from 239,000 last week but down from 253,000 a year ago. The USDA boxed beef cutout was up \$1.17 at mid-session yesterday and closed 32 cents higher at \$313.02. This was up from \$304.39 the previous week. Cash live cattle traded in modest volume yesterday at higher prices than last week. In Iowa/Minnesota there were 1,058 head reported at \$190-\$192 with an average price of 4191.81, which was up from \$189.81 on Friday. In Nebraska there were 344 head reported at \$192, up from an average of \$189.88 on Friday. Australia reported its first human case of avian influenza on Wednesday, in a child who authorities said had been infected in India. The child has made a full recovery.



TODAY'S MARKET IDEAS:

August cattle broke above the 200-day moving average on Friday and held that level on a test yesterday. The next resistance level is 181.25, the bottom of a consolidation range from March, and that is followed by 185.05, the top of that same range. Support comes in at 177.125 and 176.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 05/22/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 181.750. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 181.270 and 181.750, while 1st support hits today at 179.570 and below there at 178.320.

FEEDER CATTLE (AUG) 05/22/2024: The cross over and close above the 60-day moving average indicates the longer-term trend has turned up. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term

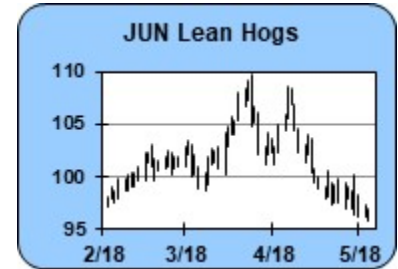
upside target is at 261.387. The next area of resistance is around 260.724 and 261.387, while 1st support hits today at 258.925 and below there at 257.788.

DAILY HOGS COMMENTARY

5/22/2024

Drifting lower with no visible support.

July hogs extended their recent selloff yesterday by falling to their lowest level since February 21, leaving the next downside target at 98.05, the 0.618 retracement of the rally from the contract low on January 2 to the contract high on April 10. The CME Lean Hog Index as of May 17 was 92.22, down from 92.29 the previous session but up from 91.22 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 957,000 head, up from 941,000 last week at this time and 948,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.83, down \$1.36 from Monday and down from \$100.38 the previous week. The last COT report showed funds were holding a net long of 56,128 contracts. This was down from a near record net long of 92,731 in April, but it still left substantial fuel for further long liquidation. China's national average spot pig price is up 3.7% this week, 7.2% for the month, and 12% since the start of the year.



TODAY'S MARKET IDEAS:

The next support for July hogs comes in at 98.05, the 0.618 retracement of the rally from the contract low to the contract high. Additional support comes in at the 200-day moving average of 97.72. Look for resistance at 100.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/22/2024: 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 100.520. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 99.920 and 100.520, while 1st support hits today at 98.700 and below there at 98.050.

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	180.420	71.03	63.69	80.03	89.18	178.85	176.59	175.48	175.18	177.03
FCQ24	259.825	63.68	57.97	61.12	75.53	258.88	255.59	255.41	255.61	258.85
LHN24	99.320	29.04	33.85	11.87	11.88	100.24	100.59	102.18	104.42	104.07

Calculations based on previous session. Data collected 05/21/2024
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	178.300	179.550	180.020	181.270	181.750
FCQ24	Feeder Cattle	257.787	258.924	259.587	260.724	261.387
LHN24	Lean Hogs	98.020	98.670	99.270	99.920	100.520

Calculations based on previous session. Data collected 05/21/2024
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