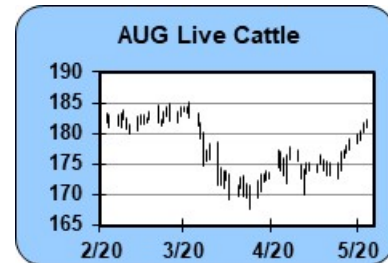




**DAILY CATTLE COMMENTARY**  
5/24/2024

**On Feed report after close could mean volatility today.**

August cattle may see some pressure today with the approach of the long weekend and the Cattle on Feed report due out after the close. The market traded to its highest level since March 22 yesterday but finished with a moderate loss. Cattle have seen a strong rally this week after breaking above a couple of long-term resistance levels (the 200-day moving average and the 0.618 retracement of the selloff from the March high to the April low). Strong demand ahead of the Memorial Day holiday has been cited as a reason for the move, as well as gains in the cash cattle market. However, the Cattle on Feed report this afternoon could shake things up for next week. For the report, a Bloomberg survey shows an average trade expectation for April placements at 94.6% of last year, with a range of expectations from 86.5% to 104.5%. April marketings are expected at 109.3% (range 104.6%-110.7%) and May 1 on-feed supply at 99.2% (range 97.9%-100.5%). The weekly export sales report showed US beef sales for the week ending May 16 at 21,522 tonnes, up from 15,132 the previous week and above the four-week average of 17,868. Cumulative sales for 2024 have reached 440,300 tonnes, down from 469,200 a year ago and the lowest for this point in the season since 2020. However, this was the first time they had been above 2020 levels so far this year. The largest buyer this week was China at 5,819 tonnes, followed by South Korea at 5,129, Mexico at 2,923, Japan at 2,549, and Taiwan at 1,593. South Korea has the most commitments for 2024 at 120,100 tonnes, followed by Japan at 99,200 and China at 67,500. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 486,000 head, down from 487,000 last week and 500,000 a year ago. The USDA boxed beef cutout was down \$2.50 at mid-session yesterday and closed \$2.33 lower at \$309.84. This was down from \$310.15 the previous week. Cash live cattle traded in decent volume yesterday at prices that were \$1-\$3 higher than last week.



**TODAY'S MARKET IDEAS:**

We could see some volatility today ahead of the Cattle on Feed report, which will be released after the close. Longs may be tempted to take profits ahead of the long weekend. Initial support on a pullback would come in at 178.65, followed by 177.35. Look for resistance at 185.50.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

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LIVE CATTLE (AUG) 05/24/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. The market's close below the pivot swing

number is a mildly negative setup. The near-term upside target is at 182.550. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 181.700 and 182.550, while 1st support hits today at 180.470 and below there at 180.070.

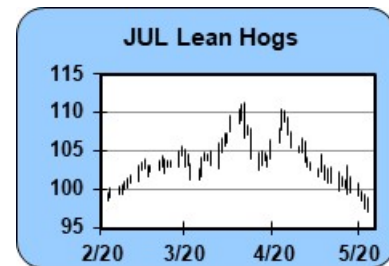
**FEEDER CATTLE (AUG) 05/24/2024:** Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 264.081. The next area of resistance is around 262.562 and 264.081, while 1st support hits today at 260.338 and below there at 259.632.

## DAILY HOGS COMMENTARY

5/24/2024

### Short term oversold, downside tech targets achieved.

The approach of a long weekend may trigger some short covering today in July hogs. Almost a mirror opposite of cattle, July hogs have fallen below two long-term support levels, the 0.618 retracement of the rally from the contract low in January to the contract high from last month (98.05) and the 200-day moving average (97.75). Yesterday's close below those levels could trigger some additional selling, but those levels may also provide some buying support following the steep selloff of the past month. The weekly export sales report showed US pork sales for the week ending May 16 at 26,273 tonnes, up from 21,105 the previous week and just below the four-week average of 26,343. Cumulative sales for 2024 have reached 871,151 tonnes, down from 911,100 a year ago and below the five-year average of 959,700. The largest buyer this week was Mexico at 10,349 tonnes, followed by Japan at 4,111, South Korea at 2,585, Canada at 2,003, and Colombia at 1,854. Mexico has the most commitments for 2024 at 308,400 tonnes, followed by South Korea at 126,200. The CME Lean Hog Index as of May 21 was 91.82, down from 92.01 the previous session but up from 91.76 the previous week. The USDA estimated hog slaughter came in at 485,000 head yesterday. This brings the total for the week so far to 1.917 million head, up from 1.900 million last week and 1.887 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.68, down \$1.22 from Wednesday and down from \$99.24 the previous week. This was the lowest it had been since May 9.



### TODAY'S MARKET IDEAS:

Yesterday's close below the key support levels is bearish technical action that could trigger additional selling today, but those levels may also provide some buying support in the wake of the steep selloff of the past month. Momentum indicators suggest a short-term oversold condition. Next support comes in at the February 13 low at 95.47, with resistance at 99.47 and 100.55.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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**LEAN HOGS (JUL) 05/24/2024:** Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains

negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 95.850. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 98.420 and 99.670, while 1st support hits today at 96.520 and below there at 95.850.

## 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	181.070	70.04	63.92	86.61	91.29	180.43	178.24	176.05	175.07	177.01
FCQ24	261.450	64.09	59.30	74.25	85.08	260.66	258.08	255.65	255.28	258.61
LHN24	97.470	22.02	28.61	10.41	8.52	98.72	99.82	101.30	104.16	103.98

Calculations based on previous session. Data collected 05/23/2024

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	180.050	180.450	181.300	181.700	182.550
FCQ24	Feeder Cattle	259.631	260.337	261.856	262.562	264.081
LHN24	Lean Hogs	95.820	96.500	97.750	98.420	99.670

Calculations based on previous session. Data collected 05/23/2024

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