



DAILY LIVESTOCK COMMENTARY

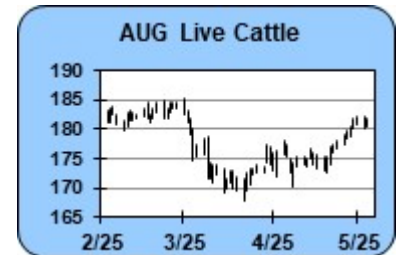
Wednesday May 29, 2024

DAILY CATTLE COMMENTARY

5/29/2024

Retail restocking lends support to beef prices.

Strong seasonal demand has helped lift cattle prices over the past few weeks, but the market is approaching short-term overbought status, and there is the possibility that demand will level off now that the summer grilling season is upon us. The Cattle on Feed report last week had no surprises, with placements, marketings, and on feed numbers all coming in close to average expectations. Boxed beef prices were higher yesterday, which could have been retailer restocking after the holiday weekend. The USDA boxed beef cutout was up \$2.06 at mid-session yesterday and closed \$1.67 higher at \$312.12. This was down from \$313.02 the previous week. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 125,000 head, down from 242,000 last week at this time and 128,000 a year ago. Cash live cattle were quiet yesterday with no trades reported. The five-area weighted average steer price last week was \$190.90, up from \$188.54 the previous week and \$177.94 a year ago. Cash cattle prices are expected to be steady/higher this week, with southern Plains offers at \$190 and offers in Iowa/Minnesota at \$192.



TODAY'S MARKET IDEAS:

August cattle may run into heavy resistance at 185.00, the high from early March, with support seen around 178.625, the 200-day moving average, which the market pushed through last week. Short term momentum indicators have moved into overbought territory.

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.

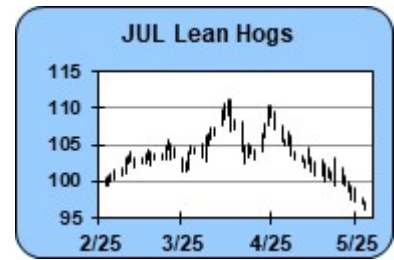
LIVE CATTLE (AUG) 05/29/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 183.000. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 182.550 and 183.000, while 1st support hits today at 181.070 and below there at 180.020.

FEEDER CATTLE (AUG) 05/29/2024: 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 267.843. The next area of resistance is around 266.737 and 267.843, while 1st support hits today at 262.463 and below there at 259.294.

DAILY HOGS COMMENTARY
5/29/2024

Pork cutout highest since August.

US pork prices have reached their highest level since last August, which could offer some fundamental support to the hog market, which is in a steep downtrend. Last week July hogs fell below the 200-day moving average and the 0.618 retracement of the rally from the contract low in January to the contract high from April. That was bearish technical action, and since then the market has shown little indication that the selloff has been completed. Friday's COT report showed funds had liquidated roughly 50% of their record net long from April, which should lessen the long liquidation pressure. The USDA pork cutout, released after the close yesterday, came in at \$102.86, up \$3.69 from Monday and up from \$99.83 the previous week. This was the highest it had been since August 24, 2023. The CME Lean Hog Index as of May 23 was 91.63, down from 91.77 the previous session and 92.29 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 487,000 head, up from 479,000 a year ago.



TODAY'S MARKET IDEAS:

July hogs bounced off their lows yesterday, which raises the possibility that they may have found a floor. Short-term momentum indicators are flashing oversold as well. A break below yesterday's low at 96.00 would leave support at 95.47 and 94.50. Look for resistance at 97.78.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/29/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 1st swing support could weigh on the market. The next downside objective is now at 95.350. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 97.120 and 97.770, while 1st support hits today at 95.920 and below there at 95.350.

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	181.820	72.50	65.64	89.49	92.61	181.43	179.74	177.09	175.03	177.00
FCQ24	264.600	68.76	63.13	80.95	88.77	262.29	260.06	256.62	255.10	258.42
LHN24	96.520	18.92	26.13	8.57	7.13	97.34	99.02	100.45	103.94	103.80

Calculations based on previous session. Data collected 05/28/2024

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	180.000	181.050	181.500	182.550	183.000
FCQ24	Feeder Cattle	259.293	262.462	263.568	266.737	267.843
LHN24	Lean Hogs	95.320	95.900	96.550	97.120	97.770

Calculations based on previous session. Data collected 05/28/2024

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