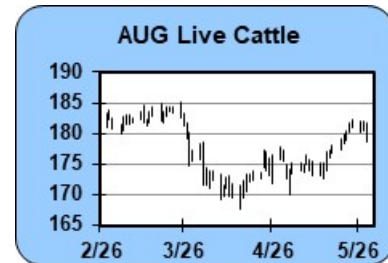




DAILY CATTLE COMMENTARY
5/30/2024

China bans some US beef imports.

The rally off seasonal demand may have finally peaked now that Memorial Day has passed. News that China has blocked US beef shipments from a Greeley, Colorado JBS plant because traces of the feed additive ractopamine were identified in beef destined for China sparked a sharp selloff yesterday. The market fell very close to the 200-day moving average at 178.60, which could be important support. A failure to hold above it would suggest the rally off the April lows was completed. Ractopamine is used to boost animal weights. It is banned in 160 countries, including China, EU, and Russia. China also banned meat imports from a cold storage facility in Oakland, saying ractopamine was discovered in samples from there as well. China also announced it will allow some beef imports from Russia, with "immediate effect," and it has lifted a ban on imports from five Australian beef processing facilities. The USDA boxed beef cutout was up \$1.71 at mid-session yesterday and closed \$1.50 higher at \$313.62. This was up from \$312.17 the previous week. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 250,000, down from 255,000 a year ago. Early action in cash live cattle this week suggests a softer market. In Nebraska yesterday there were 890 head reported at \$190, down from an average of \$192 last week. In Kansas there were 80 head reported at \$187 versus an average of \$187.40 last week.



TODAY'S MARKET IDEAS:

The selloff in cattle in the wake of the announcement by China that they were banning beef from a US slaughter plant may have been an overreaction, but it may also have been an indication that a near term top is in place. Key support for August cattle comes in at 178.60, followed by 177.60. First retracement support of the rally off the April low comes in at 176.60. Look for resistance at 182.15.

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) 05/30/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 177.100. The next area of resistance is around 181.770 and 183.370, while 1st support hits today at 178.650 and below there at 177.100.

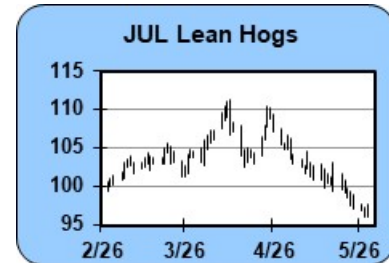
FEEDER CATTLE (AUG) 05/30/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is negative as the close remains below the 9-day moving average. A negative signal was given by the outside day down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 266.837. The next area of resistance is around 263.075 and 266.837, while 1st support hits today at 257.425 and below there at 255.538.

DAILY HOGS COMMENTARY

5/30/2024

Midwest hog weights not seeing a seasonal decline.

July hogs gapped higher yesterday right at the 200-day moving average, and that ended up being the high of the day. Hogs fell below the average last week for the first time since January, and a move back above it could indicate the recent downtrend has concluded. The average hog weight for Iowa-Southern Minnesota as of May 25 was 288.0 pounds, up from 287.9 the previous week and 281.8 a year ago. The 5-year average is 285.8 pounds. Weights are holding steady at a time of year they normally fall off, which could be bearish. The USDA pork cutout, released after the close yesterday, came in at \$100.54, down \$2.32 from Tuesday but up from \$98.90 the previous week. The CME Lean Hog Index as of May 24 was 91.26, down from 91.63 the previous session and 92.22 the previous week. The USDA estimated hog slaughter came in at 488,000 head yesterday. This brings the total for the week so far to 965,000 head, up from 957,000 a year ago.



TODAY'S MARKET IDEAS:

Momentum indicators are flashing oversold, and the funds have corrected their burdensome net long position. The 200-day moving average at 97.80 in July hogs remains a key resistance level. Additional resistance comes in at 99.05. Look for support at 96.00 and 94.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/30/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 94.800. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 97.220 and 98.420, while 1st support hits today at 95.420 and below there at 94.800.

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	180.200	60.34	59.04	89.03	88.12	181.06	180.14	177.44	175.04	176.97
FCQ24	260.250	54.50	54.32	81.37	82.21	261.63	260.55	256.90	255.06	258.29
LHN24	96.320	18.29	25.62	7.85	6.40	96.89	98.51	100.05	103.77	103.68

Calculations based on previous session. Data collected 05/29/2024
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	177.070	178.620	180.220	181.770	183.370
FCQ24	Feeder Cattle	255.537	257.425	261.187	263.075	266.837
LHN24	Lean Hogs	94.770	95.400	96.600	97.220	98.420

Calculations based on previous session. Data collected 05/29/2024
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