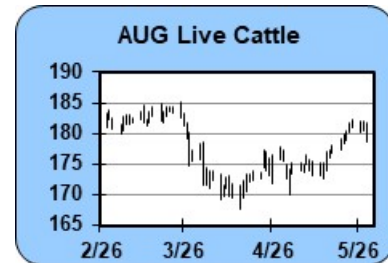




DAILY CATTLE COMMENTARY
5/31/2024

A third dairy worker gets bid flu.

News that China had blocked imports of beef from a Greeley, Colorado plant after traces of the feed additive ractopamine were detected in beef destined for China pressured the cattle market yesterday. This was compounded by China's announcement that it would allow some beef imports from Russia and by a report from the Australian government that China had lifted bans on imports from five major Australian beef processing facilities. A third dairy worker has tested positive for bird flu after exposure to infected cows. This was the first human case to report respiratory problems (cough without fever); previous cases resulted in conjunctivitis (pink eye). The CDC said this latest case does not change its assessment that bird flu is low-risk to the public and reiterated that it has not seen evidence of human-to-human transmission. This was the second case in Michigan, which has confirmed more cases of bird flu in dairy cows than any other state. Michigan will begin testing dairy workers for signs of previous infections. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 375,000, down from 380,000 a year ago. The USDA boxed beef cutout was up 81 cents at mid-session yesterday and closed 42 cents higher at \$314.04. This was up from \$309.84 the previous week and was the highest it had been since September 5, 2023. Cash live cattle are lower this week. The five-area weighted average price yesterday was \$188.25, down from an average of \$190.25 last week.



TODAY'S MARKET IDEAS:

For the second day in a row, the 200-day moving average provided support yesterday. A break below there could set the market up for a further decline to 176.60 or 174.90. Look for resistance at 180.425 and 182.150.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 05/31/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 177.650. The next area of resistance is around 180.750 and 181.620, while 1st support hits today at 178.770 and below there at 177.650.

FEEDER CATTLE (AUG) 05/31/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to

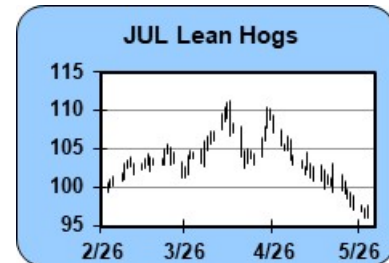
reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 255.057. The next area of resistance is around 261.062 and 263.006, while 1st support hits today at 257.088 and below there at 255.057.

DAILY HOGS COMMENTARY

5/31/2024

Heavy hog weights; main trend down but short-term oversold.

July hogs broke an eight-session losing streak with a moderate gain yesterday after trading to their lowest level since February 13. Short-term technical indicators are flashing oversold, and the steady decline in prices over the past several weeks has allowed the overbought fund position to be corrected. However, Midwest live hog weights remain stubbornly high. The CME Lean Hog Index as of May 28 was 90.79, down from 91.26 the previous session and 92.01 the previous week. The USDA estimated hog slaughter came in at 487,000 head yesterday. This brings the total for the week so far to 1.447 million, up from 1.435 million a year ago. The USDA pork cutout came in at \$100.95 yesterday, up 41 cents from Wednesday and up from \$97.68 the previous week. China's pork farmers became profitable in May after prices rebounded, surpassing production costs, according to the Chinese state-owned newspaper, Economic Daily. They credit declining feed costs, recent declines in hog production and imports, and improving balance sheets. They anticipate seasonal price increases in the second half of the year.



TODAY'S MARKET IDEAS:

The main trend is down, but oversold technical indicators and a reduced net long held by the funds may support a bounce. July hogs fell below the 200-day moving average this week, and if they move back above that line today (at 97.82), it could inspire some short covering. Additional resistance comes in a 99.47. Look for support at 95.87 and 92.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/31/2024: The daily stochastics have crossed over up which is a bullish indication. 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 close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 98.470. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 97.770 and 98.470, while 1st support hits today at 96.150 and below there at 95.200.

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	179.770	57.51	57.42	87.24	83.65	180.73	180.41	177.73	175.11	176.92
FCQ24	259.075	51.27	52.20	79.42	75.52	261.04	260.74	257.14	255.10	258.12
LHN24	96.950	26.84	30.23	8.31	9.23	96.76	97.99	99.72	103.61	103.58

Calculations based on previous session. Data collected 05/30/2024

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	177.620	178.750	179.620	180.750	181.620
FCQ24	Feeder Cattle	255.056	257.087	259.031	261.062	263.006
LHN24	Lean Hogs	95.150	96.120	96.820	97.770	98.470

Calculations based on previous session. Data collected 05/30/2024

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