



DAILY LIVESTOCK COMMENTARY

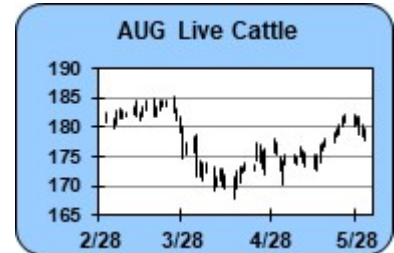
Monday June 03, 2024

DAILY CATTLE COMMENTARY

6/3/2024

Poor weekly close Friday points to further pullback

Cattle prices last week seemed to react to a weak attitude regarding the US economy and August live cattle fell to 100-day moving average support at 177.85. Choice cutout seasonally peaks at this time of year, which may keep the packer from bidding up for cattle this week as profit margins suffer. Cash trade last week was \$186 in Texas and Kansas. The CME announced new price limits of \$7.50 on live cattle and \$9.25 on feeder cattle, which will go in effect today.



Friday's weekly export sales report showed US beef sales for the week ending May 23 at 15,736 tonnes, down from 21,522 the previous week and below the four-week average of 16,182. Cumulative sales for 2024 have reached 456,000 tonnes, down from 487,300 year ago and the lowest for this point in the season since 2020. The 5-year average for this point in the season is 534,300. The largest buyer this week was Japan at 4492 tonnes, followed by China at 2739. South Korea has the most commitments for 2024 at 121,000 tonnes, followed by Japan at 103,700 and China at 70,300. The USDA estimated cattle slaughter came in at 122,000 head Friday and 43,000 head for Saturday. This brought the total for last week to 540,000 head, down from 607,000 the previous week and down from 568,423 a year ago. The USDA boxed beef cutout was down 22 cents at mid-session Friday and closed 84 cents lower at \$313.20. This was up from \$310.45 the previous week. The previous low was \$312.12 on May 28. The previous high was \$314.04 on May 30.

The estimated average dressed cattle weight last week was 852 pounds, up from 851 the previous week and up from 817 a year ago. The 5-year average weight for that week is 812 pounds. Estimated beef production last week was 459.3 million pounds, down from 463.8 million a year ago.

TODAY'S MARKET IDEAS:

Last week's lower trend may continue after August live cattle prices fell through 200-day moving average support Friday and tested 100-day support at 177.85. If prices fall below that level to start the week, we expect next support at 176.60 and 174.90. Look for resistance at 180.425 and 182.150.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/21/2024 - 5/28/2024						
	Non-Commercial		Net Position	Commercial Weekly Net Change	Non-Reportable	
	Net Position	Weekly Net Change			Weekly Net Change	
Livestock						
Feeder Cattle	3,679	+2,551	3,951	-1,138	-7,630	-1,414
Cattle	86,353	+13,318	-67,454	-10,421	-18,900	-2,898

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) 06/03/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. 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 target is now at 176.620. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 179.450 and 180.600, while 1st support hits today at 177.470 and below there at 176.620.

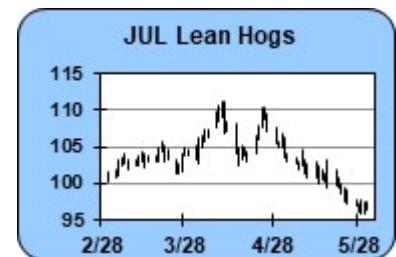
FEEDER CATTLE (AUG) 06/03/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 1st swing support could weigh on the market. The next downside target is 253.700. The next area of resistance is around 257.999 and 260.099, while 1st support hits today at 254.800 and below there at 253.700.

DAILY HOGS COMMENTARY

6/3/2024

Slowing downside momentum raises odds for a rally

Friday, July hogs traded inside Thursday's range ending a mostly sideways trading week. However, recent downtrend momentum since late April appears to be waning and last week's sideways action may be a sign prices are ready to bounce. A move above last week's high of 97.80 on July would be the signal a rally is starting. The CME Lean Hog Index as of May 29 was 91.00, up from 90.79 the previous session but down from 91.82 the previous week. The USDA estimated hog slaughter came in at 483,000 head Friday and 235,000 head for Saturday. This brought the total for last week to 2.155 million head, down from 2.362 million the previous week but up from 2.025 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$102.33, up \$1.38 from Thursday and up from \$99.17 the previous week. The previous low was \$100.95 on May 30. The previous high was \$102.86 on May 28. Estimated US pork production last week was 464.1 million pounds, down from 508.4 the previous week and up from 432.2 a year ago. Friday's weekly export sales report showed US pork exports for the week ending May 23 at 44,573 tonnes, up from 26,273 the previous week and the highest since April 4. Cumulative sales for 2024 have reached 915,600 tonnes, down from 933,700 year ago and below the 5-year average of 984,400. The largest buyer this week was Mexico at 23,165 tonnes, followed by Australia at 6281 tonnes. Mexico has the most commitments for 2024 at 331,600 tonnes, followed by South Korea at 127,200.



China's national average spot pig price as of June 3 was up 3.89% from the previous day. For the week prices are up 3.89%, up 21.44% for the month and up 26.43% year to date and up 26.78% versus a year ago. Dalian live hog futures as of June 03 were up 2.3% from the previous day. For the week prices are up 2.3% and up 1.87% for the month and up 8.23% year to date.

TODAY'S MARKET IDEAS:

While the trend has been down since late April, bearish momentum has stalled and prices are reaching oversold levels. July hogs fell below the 200-day moving average last week at 97.87. A move above that level would be a sign the short covering rally is beginning. Additional resistance comes in a 99.47. If prices resume the break, look for support at 95.87 and 92.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/21/2024 - 5/28/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	47,198	-12,686	-39,849	+10,367	-7,349	+2,320

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/03/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 98.170. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 97.700 and 98.170, while 1st support hits today at 96.550 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
MEAT COMPLEX										
LCQ24	178.450	49.37	52.56	83.49	75.99	180.06	180.34	177.95	175.15	176.86
FCQ24	256.399	44.51	47.64	74.45	64.51	260.08	260.36	257.34	255.07	257.91
LHN24	97.120	29.18	31.51	9.51	11.92	96.73	97.67	99.44	103.46	103.49

Calculations based on previous session. Data collected 05/31/2024

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	176.600	177.450	178.600	179.450	180.600
FCQ24	Feeder Cattle	253.700	254.799	256.899	257.999	260.099
LHN24	Lean Hogs	95.820	96.520	97.020	97.700	98.170

Calculations based on previous session. Data collected 05/31/2024

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