



DAILY LIVESTOCK COMMENTARY

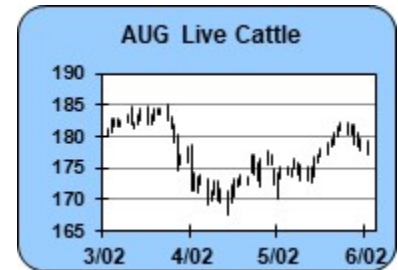
Tuesday June 04, 2024

DAILY CATTLE COMMENTARY

6/4/2024

Reversal higher Monday, needs higher close today to confirm

August live cattle had a midsession turnaround Monday with prices ending with a reversal higher. A higher close today is needed to confirm the technical signal. August prices have made lower lows and lower highs for the last 5 trading sessions. Cash trade this week has not been established. The recent stock market selloff and overall risk-off attitude over the past week has pressured cattle futures but seasonal summer beef demand is a supportive factor. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This was up from 120,000 last week but down from 120,128 a year ago. The USDA boxed beef cutout was up \$1.35 at mid-session yesterday and closed \$2.40 higher at \$315.60. This was up from \$310.45 the previous week. The previous low was \$313.20 on May 31. The previous high was \$317.04 on August 28, 2023.



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:

After falling below moving average support early Monday, prices reversed higher on August live cattle, giving the bull camp a chance to confirm the technical signal with a higher close today. The recent risk-off attitude has pressured most commodity markets and a close above 179.80 would be a good sign prices may rally to test last week's highs at 182.15. Look for support at 176.60 and 174.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/04/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 176.300. The next area of resistance is around 180.000 and 180.770, while 1st support hits today at 177.770 and below there at 176.300.

FEEDER CATTLE (AUG) 06/04/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The

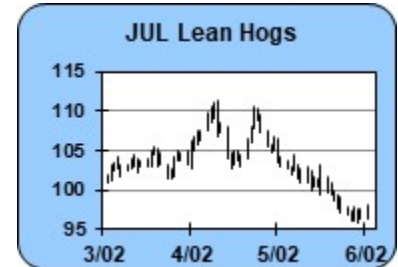
next downside target is now at 252.032. The next area of resistance is around 258.112 and 259.681, while 1st support hits today at 254.288 and below there at 252.032.

DAILY HOGS COMMENTARY

6/4/2024

Weak close Monday suggests further break

July hogs started the week strong, taking out last week's highs, but selling pressure pushed prices down to close near the low of the day yesterday. Some of the pressure was likely from a weakening of the Mexican peso, which hit its lowest level since last November, and makes it more expensive for Mexico to import pork. Mexico is the largest buyer of US pork. Recent downside momentum had stalled and today will be a test for the bull camp whether last week's 3 1/2 month low of 95.87 will hold.



The CME Lean Hog Index as of May 30 was 91.49, up from 91.00 the previous session but down from 91.77 the previous week. The USDA estimated hog slaughter came in at 483,000 head yesterday. This was up from 464,706 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$100.48, down \$1.85 from Friday but up from \$99.17 the previous week. The previous low was \$99.17 on May 27. The previous high was \$102.33 on May 31.

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:

A rejection of the strong opening yesterday has raised the odds July prices will fall below last week's low of 95.87 and resume the downtrend. Technical indicators are into oversold territory, which could mitigate the depth of the market break. Resistance comes in at Monday's high of 98.20. If prices resume the downtrend, look for support at 95.47 and 92.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/04/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 98.700. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 97.250 and 98.700, while 1st support hits today at 95.300 and below there at 94.770.

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	178.870	51.83	53.91	79.44	71.33	179.33	180.38	178.14	175.16	176.78
FCQ24	256.200	44.02	47.31	68.03	55.18	257.98	260.10	257.44	255.01	257.69
LHN24	96.270	24.85	28.75	9.61	9.79	96.67	97.26	99.10	103.29	103.38

Calculations based on previous session. Data collected 06/03/2024

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	176.270	177.750	178.520	180.000	180.770
FCQ24	Feeder Cattle	252.031	254.287	255.856	258.112	259.681
LHN24	Lean Hogs	94.750	95.270	96.720	97.250	98.700

Calculations based on previous session. Data collected 06/03/2024

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