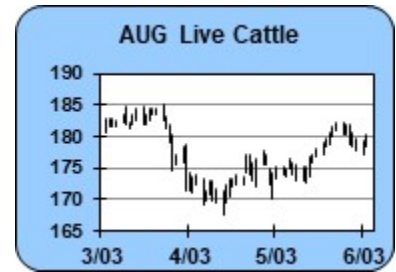




DAILY CATTLE COMMENTARY
6/5/2024

Cash trade expected steady at best this week

August live cattle put in a weak performance Tuesday after starting out the day strong but ending near the lows of the day, after hitting retracement resistance at 180.20. The weakness may be partly attributed to the risk-off selling across the commodity spectrum yesterday. While the uptrend from April 12 is still intact, if August prices fall below this week's low at 177.07, the chart would turn negative. Cash cattle trade was very light yesterday with the only reported transaction in Iowa with 96 head selling at \$190 live. Cash cattle trade later this week is expected to be steady at best. Steer and carcass weights are 38 pounds above last year and 35 pounds above the same week in 2022. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 243,000 head, up from 125,000 last week at this time but down from 245,344 a year ago. Estimated slaughter margins last week were \$73 per head, compared to \$150 last year at this time. The USDA boxed beef cutout was up \$1.22 at mid-session yesterday and closed \$1.28 higher at \$316.88. This was up from \$312.12 the previous week. The previous low was \$315.60 on June 3. The previous high was \$317.04 on August 28, 2023.



TODAY'S MARKET IDEAS:

The bull camp was unable to confirm Monday's reversal with a higher close yesterday and prices may sink back for a test of this week's low at 177.07 on August, which is now key support. Look for further support at 176.60 and 174.90. Tuesday's high hit the .618 retracement to the recent high 10 days ago and backed off, meaning the retracement level of 180.20 is now the key upside pivot point for prices.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/05/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 176.920. The next area of resistance is around 179.400 and 180.750, while 1st support hits today at 177.500 and below there at 176.920.

FEEDER CATTLE (AUG) 06/05/2024: Declining momentum studies in the neutral zone will 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 market could take on a defensive posture with the daily closing price reversal down. With the close higher than

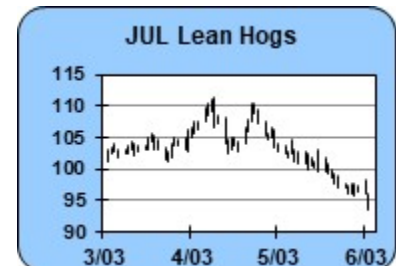
the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 253.788. The next area of resistance is around 257.350 and 259.087, while 1st support hits today at 254.700 and below there at 253.788.

DAILY HOGS COMMENTARY

6/5/2024

Prices gap down Tuesday on heavy technical selling

Lower pork cutout values appeared to trigger a sharp technical selloff yesterday morning as prices gapped lower on July futures and closed very weak on strong volume, resuming the 1 1/2 month downtrend. Technical indicators fell further into oversold territory. Next major support level for July is 92.90. Some of this week's pressure is likely from a weakening of the Mexican peso, which hit its lowest level since last November, and makes it more expensive for the US's #1 buyer, Mexico, to import pork. China's pig prices have risen to their best levels since the end of 2022, but economic issues have kept demand weak. The CME Lean Hog Index as of May 31 was 91.73, up from 91.49 the previous session and from 91.63 the previous week. The USDA estimated hog slaughter came in at 481,000 head yesterday. This brings the total for the week so far to 964,000 head, up from 477,000 last week at this time and up from 934,138 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.73, down 75 cents from Monday and down from \$102.86 the previous week. The previous low was \$99.17 on May 27. The previous high was \$100.48 on June 3.



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:

Tuesday's sharp technical selloff sent July prices to their lowest since late January. The weak opening left a gap lower on July which stands at 96.07 - 96.22 and is now important resistance. Look for next support at 92.90. If the downtrend accelerates lower, major support at 89.87 could be tested.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/05/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The close below the 2nd swing support number puts the market on the defensive. The next downside target is 91.970. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 95.120 and 96.800, while 1st support hits today at 92.720 and below there at 91.970.

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	49.14	52.31	74.14	63.53	178.89	180.16	178.38	175.31	176.72
FCQ24	256.024	43.55	47.00	60.56	45.64	256.93	259.68	257.64	255.10	257.49
LHN24	93.900	16.99	22.81	8.76	7.07	96.07	96.66	98.63	103.03	103.22

Calculations based on previous session. Data collected 06/04/2024

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	176.900	177.470	178.820	179.400	180.750
FCQ24	Feeder Cattle	253.787	254.700	256.437	257.350	259.087
LHN24	Lean Hogs	91.950	92.700	94.370	95.120	96.800

Calculations based on previous session. Data collected 06/04/2024

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