



DAILY LIVESTOCK COMMENTARY

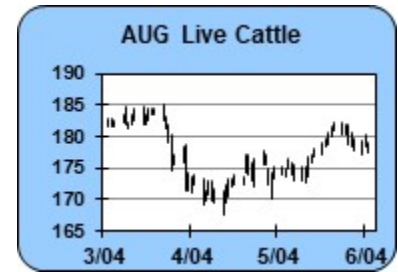
Thursday June 06, 2024

DAILY CATTLE COMMENTARY

6/6/2024

Trading volume Wednesday lowest since May 6th

Yesterday, August cattle saw its lowest close since May 16 but is so far holding support at 177.07. Cash trade has been minimal so far this week. Iowa/MN reported 76 head sold yesterday at \$188. If futures prices are not up sharply today, we expect cash trade to be steady at best. Competing meats, chicken and pork, continue to be well discounted to beef and economic worries may have restaurant goers looking for the cheaper alternative. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 367,000 head, up from 250,000 last week at this time but down from 369,668 a year ago. The USDA boxed beef cutout was down \$1.81 at mid-session yesterday and closed \$2.09 lower at \$314.79. This was up from \$313.62 the previous week.



TODAY'S MARKET IDEAS:

Trading volume was the lowest in a month yesterday and August prices need to hold support at this week's low of 177.07 to avoid a technical turn lower. If support gives way, expect a run down to 50-day moving average support at 175.50. Tuesday's high hit the .618 retracement to the recent high 10 days ago and backed off, confirming 180.20 is the key upside pivot point for prices.

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) 06/06/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market tilt is slightly negative with the close under the pivot. The next downside target is 176.450. The next area of resistance is around 178.670 and 179.750, while 1st support hits today at 177.050 and below there at 176.450.

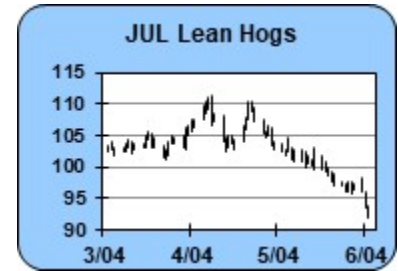
FEEDER CATTLE (AUG) 06/06/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 252.763. The next area of resistance is around 256.000 and 257.462, while 1st support hits today at 253.650 and below there at 252.763.

DAILY HOGS COMMENTARY

6/6/2024

Heavy trading volume on selloff, prices near capitulation?

July hogs endured another sharp selloff Wednesday for the 3rd day in a row and trading volume was the highest in a month. The price freefall over the last couple days has pushed technical indicators deep into oversold territory, which would suggest at least a short-term technical bounce is near. Summer hog premiums have been all but erased in June and July futures. Next major support on July futures is the 2024 low made in early January at 89.87. The CME Lean Hog Index as of June 3 was 91.93, up from 91.73 the previous session and 91.26 the previous week. The USDA estimated hog slaughter came in at 482,000 head yesterday. This brings the total for the week so far to 1.446 million head, up from 960,000 last week at this time and up from 1.394 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.03, down 70 cents from Tuesday and down from \$100.54 the previous week. The average hog weight for Iowa-Southern Minnesota as of June 1 was 290.4 pounds, up from 288 pounds the previous week and up from 283.8 a year ago. The 5-year average is 286.3 pounds.



China's national average spot pig price as of June 6 was down 0.54% from the previous day. For the week prices are up 4.46%, up 4.46% for the month and up 27.12% year to date and up 26.94% versus a year ago. Dalian live hog futures as of June 06 were down 0.2% from the previous day. For the week prices are up 0.9% and up 1.25% for the month and up 7.58% year to date

TODAY'S MARKET IDEAS:

Strong volume on this week's sharp selloff may mean a capitulation low is near. However, the bear camp is certainly firmly in charge and major price support is still more than \$2 lower at the 2024 low of 89.87 on July. But technical indicators are deep in oversold territory and any kind of bullish spark could result in a quick reaction back to the upside.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK 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.

LEAN HOGS (JUL) 06/06/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 90.550. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 93.170 and 94.420, while 1st support hits today at 91.250 and below there at 90.550.

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	177.870	45.55	50.14	67.09	52.99	178.41	179.74	178.61	175.41	176.65
FCQ24	254.825	40.23	44.84	52.13	35.27	255.86	258.78	257.85	255.11	257.28
LHN24	92.200	13.48	19.61	7.71	5.61	94.88	96.00	98.13	102.73	103.03

Calculations based on previous session. Data collected 06/05/2024

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	176.420	177.020	178.070	178.670	179.750
FCQ24	Feeder Cattle	252.762	253.650	255.112	256.000	257.462
LHN24	Lean Hogs	90.520	91.220	92.470	93.170	94.420

Calculations based on previous session. Data collected 06/05/2024

Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.