

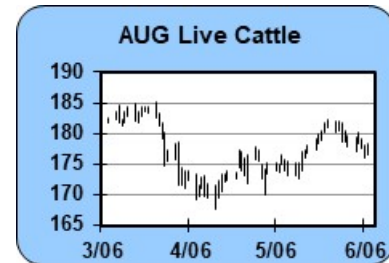


## DAILY LIVESTOCK COMMENTARY Monday June 10, 2024

### DAILY CATTLE COMMENTARY 6/10/2024

#### Bird flu headlines keeping rallies in check

August cattle had a relatively quiet session to end the week Friday and cash trade last week occurred in the south at \$185 and \$190 in the north. The cutout has stalled and we are moving past the seasonal peak demand, which may mean packers will be bidding less aggressively over the next couple weeks. Bird flu headlines remain an issue for the bull camp and until prices can move back above the 200 day moving average at 178.45 on August, sellers remain in charge. The USDA estimated cattle slaughter came in at 118,000 head yesterday. This brings the total for the week so far to 607,000 head, up from 497,000 last week at this time but down from 609,976 a year ago. The USDA boxed beef cutout was up \$1.04 at mid-session Friday and closed 54 cents higher at \$316.75. This was up from \$313.20 the previous week. The previous low was \$316.21 on June 6. The previous high was \$316.88 on June 4. The estimated average dressed cattle weight last week was 852 pounds, unchanged from 852 the previous week and up from 809 a year ago. The 5-year average weight for that week is 813 pounds. Estimated beef production last week was 522.0 million pounds, up from 497.6 million a year ago.



The Commitments of Traders report for the week ending June 4th showed Cattle Managed Money traders are net long 52,741 contracts after net selling 5,815 contracts. CIT traders are net long 81,657 contracts after net selling 1,530 contracts. Non-Commercial No CIT traders were net long 39,112 contracts after decreasing their long position by 6,830 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 4,544 contracts to a net long 62,909 contracts.

#### TODAY'S MARKET IDEAS:

Technical action remains weak and August prices remain under the 100 and 200 day moving average resistance. With packers unlikely to be aggressive bidders this week, cash cattle is expected to be steady/weak. August futures has significant moving average resistance at 178.45 and look for support at last week's low of 176.05 and the 50-day moving average at 175.45.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/28/2024 - 6/4/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Feeder Cattle	-487	-4,166	5,262	+1,311	-4,775	+2,855
Cattle	79,067	-7,286	-62,909	+4,545	-16,158	+2,742

## 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) 06/10/2024:** The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market could take on a defensive posture with the daily closing price reversal down. The market tilt is slightly negative with the close under the pivot. The next downside target is 175.600. The next area of resistance is around 178.020 and 178.970, while 1st support hits today at 176.350 and below there at 175.600.

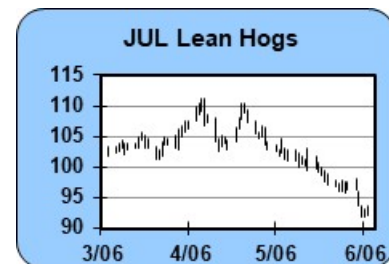
**FEEDER CATTLE (AUG) 06/10/2024:** Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is now at 250.375. The next area of resistance is around 256.950 and 258.475, while 1st support hits today at 252.900 and below there at 250.375.

## DAILY HOGS COMMENTARY

6/10/2024

### Upside correction has started

July hogs rebounded late last week and Friday's trading volume was the highest since March 12. Technical indicators were very oversold last week and prices were due a bounce. We look for 1st resistance on July futures at 95.00 and 95.75. Estimated US pork production was strong last week at 521.2 million pounds, up from 464.1 the previous week and up from 501.2 a year ago. The CME Lean Hog Index as of June 5 was 91.92, down from 92.06 the previous session but up 91.49 the previous week. The USDA estimated hog slaughter came in at 466,000 head yesterday. This brings the total for the week so far to 2.382 million head, up from 1.920 million last week at this time and up from 2.302 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$100.30, up 76 cents from Thursday but down from \$102.33 the previous week. The previous low was \$99.54 on June 6. The previous high was \$100.48 on June 3.



The June 4th Commitments of Traders report showed Hogs Managed Money traders were net long 16,254 contracts after decreasing their long position by 13,138 contracts. CIT traders net sold 5,544 contracts and are now net long 103,045 contracts. Non-Commercial No CIT traders net sold 8,313 contracts which moved them from a net long to a net short position of 6,195 contracts. Non-Commercial & Non-Reportable traders were net long 30,417 contracts after decreasing their long position by 9,432 contracts.

### TODAY'S MARKET IDEAS:

After reaching very oversold levels last week, short-term technical indicators have turned up after Friday's rally on the strongest trading volume since mid-March. It appears last week's heavy liquidation has ended and prices are ready for a rebound. Look for resistance at 95.00 and 95.75 and key support stands at last week's low of 91.80 on July.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/28/2024 - 6/4/2024

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	35,155	-12,043	-30,417	+9,432	-4,738	+2,611

## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/10/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 94.720. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 94.250 and 94.720, while 1st support hits today at 92.750 and below there at 91.700.

## 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
<b>MEAT COMPLEX</b>										
LCQ24	177.170	41.20	47.48	51.73	36.27	177.74	178.90	179.00	175.60	176.44
FCQ24	254.925	43.51	46.06	38.79	28.30	254.66	257.24	258.15	255.13	256.76
LHN24	93.500	26.94	28.06	8.96	11.40	93.15	95.09	97.30	102.12	102.68

Calculations based on previous session. Data collected 06/07/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCQ24	Live Cattle	175.570	176.320	177.270	178.020	178.970
FCQ24	Feeder Cattle	250.375	252.900	254.425	256.950	258.475
LHN24	Lean Hogs	91.670	92.720	93.200	94.250	94.720

Calculations based on previous session. Data collected 06/07/2024

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