



DAILY LIVESTOCK COMMENTARY

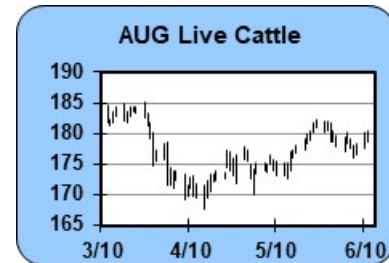
Wednesday June 12, 2024

DAILY CATTLE COMMENTARY

6/12/2024

Cash asking prices are higher

August cattle closed lower yesterday as cash market activity has been nonexistent so far this week. Two consecutive weeks of light packer buying has some thinking they may be more aggressive this week and asking prices are higher. However, US beef sales remain slow, keeping the demand side of the equation in question. Technically, the 2-month uptrend remains intact until August prices drop below 176.05. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 244,000 head, up from 243,000 last week at this time but down from 249,669 a year ago. The USDA boxed beef cutout was up \$1.79 at mid-session yesterday and closed 79 cents higher at \$318.21. This was up from \$316.88 the previous week. The previous low was \$317.42 on June 10. The previous high was \$319.87 on July 6, 2023.



TODAY'S MARKET IDEAS:

Despite yesterday's drop in prices, August futures are still above the 100 and 200-day moving average support at 178.42 and 178.22, respectively. As long as those levels hold, the technical picture still points to a test of the May high at 182.15. With no cash trade activity so far this week, packers may be playing the waiting game to see if futures will fall later this week and allow them to buy cattle steady/lower.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/12/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 177.450. The next area of resistance is around 179.820 and 181.020, while 1st support hits today at 178.050 and below there at 177.450.

FEEDER CATTLE (AUG) 06/12/2024: The daily stochastics have crossed over up which is a bullish indication. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 260.868. The next area of resistance is around 259.012 and 260.868,

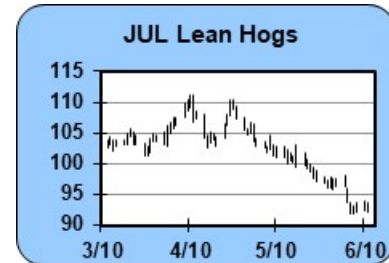
while 1st support hits today at 256.288 and below there at 255.419.

DAILY HOGS COMMENTARY

6/12/2024

Another strong volume day but price action remains weak

July hogs saw another very high-volume trade yesterday but had its 2nd lowest close since January 4. Cutout values were very strong yesterday, but the significant weakening of the Mexican peso remains a headwind for US demand. Pork production and slaughter continue to be higher than a year ago and that is keeping pressure on the market despite oversold conditions. Key support for July futures is 91.80. The CME Lean Hog Index as of June 7 was 91.52, down from 91.75 the previous session but up 91.73 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 945,000 head, down from 964,000 last week at this time but up from 924,059 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$102.59, up \$3.10 from Monday and up from \$99.73 the previous week.



China's national average spot pig price as of June 12 was down 0.11% from the previous day. For the week prices are up 1.66%, up 8.57% for the month and up 32.13% year to date and up 32.96% versus a year ago. Dalian live hog futures as of June 12 were up 1.4% from the previous day. For the week prices are up 1.4% and up 2.17% for the month and up 8.56% year to date

TODAY'S MARKET IDEAS:

Technical indicators are certainly in very oversold territory and suggest a rebound is due, yet prices have been unable to get any upside momentum as pork production levels remain above last year. Key support for July is 91.80. This week's high at 94.05 is next resistance. Prices remain sideways and traders are waiting for a move outside of the last 5 days trading range to indicate whether or not the downtrend since April is coming to an end.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/12/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 near-term upside objective is at 94.320. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 93.120 and 94.320, while 1st support hits today at 91.420 and below there at 90.900.

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	178.920	52.70	53.44	48.28	45.78	178.39	178.55	179.35	176.00	176.34
FCQ24	257.649	51.87	51.22	39.37	41.30	256.02	256.29	258.42	255.56	256.47
LHN24	92.270	22.68	25.15	10.11	10.35	92.91	94.24	96.38	101.35	102.30

Calculations based on previous session. Data collected 06/11/2024
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	177.420	178.020	179.220	179.820	181.020
FCQ24	Feeder Cattle	255.418	256.287	258.143	259.012	260.868
LHN24	Lean Hogs	90.870	91.400	92.600	93.120	94.320

Calculations based on previous session. Data collected 06/11/2024
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