



## DAILY LIVESTOCK COMMENTARY

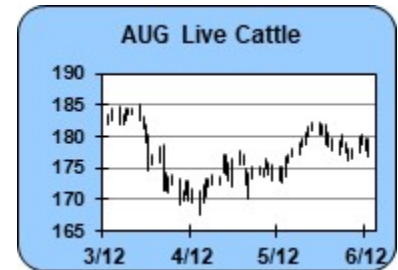
Friday June 14, 2024

### DAILY CATTLE COMMENTARY

6/14/2024

#### Cash trade develops at mostly \$1 higher on the week

As expected, packers bid more aggressively Thursday and August live cattle had its 2nd highest close for the month. Significant live cash trade developed yesterday with trade in the South from \$185-\$191 and in the north at \$190-\$195 and the 5-area, 5-day weighted average is 189.24. Cash cattle remain at a hefty premium to August futures, which is supportive to futures until cash turned lower. Yesterday's strong close may encourage some follow through buying today. The CME cash feeder index hit a record high yesterday of 255.86. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 489,000 head, unchanged from last week at this time but down from 502,581 a year ago. The USDA boxed beef cutout was down 19 cents at mid-session yesterday and closed 71 cents higher at \$318.31. This was up from \$316.21 the previous week. The previous high was \$319.87 on July 6, 2023.



Beef export sales for the ending June 6 came in at 12,000 tonnes, down 17% for the week. Top buyers were South Korea at 3,300 tonnes, Japan 3,000 MT, Canada 1,400 MT, China 1,300 MT, and Mexico with 800 MT. Cumulative sales have reached 482,500 tonnes, up 1.0% versus last year's pace.

#### TODAY'S MARKET IDEAS:

August cattle left a long tail on the daily chart yesterday after probing lower early in the session and closing strong and near the highs of the day. The futures discount to cash is supportive and may encourage some follow-through buying today. Close-in moving average support on August futures is now 178.30. The medium-term technical picture still points to an eventual test of the May high at 182.15.

#### 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) 06/14/2024:** A bullish signal was given with an upside crossover of the daily stochastics. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The daily closing price reversal up on the daily chart is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 181.700. The next area of resistance is around 180.900 and 181.700, while 1st support hits today at 178.100 and below there at 176.070.

**FEEDER CATTLE (AUG) 06/14/2024:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the

9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 260.850. The next area of resistance is around 259.449 and 260.850, while 1st support hits today at 255.500 and below there at 252.950.

## DAILY HOGS COMMENTARY

6/14/2024

### Trend back in neutral after Thursday's disappointing action

July hogs had a disappointing close Thursday after strong action the previous day and prices remain range-bound. Cash hog trade was weaker and December hogs closed in new lows, negating Wednesday's reversal higher. The 1 1/2 month downtrend is proving very tough to reverse. July prices may need to probe below the recent lows of 91.80 to clear out sell stops below the market. The CME Lean Hog Index as of June 11 was 91.38, up from 91.32 the previous session but down from 92.06 the previous week.



The USDA estimated hog slaughter came in at 475,000 head yesterday. This brings the total for the week so far to 1.890 million head, down from 1.916 million last week at this time but up from 1.850 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$96.05, down \$1.46 from Wednesday and down from \$99.54 the previous week. The previous low was \$95.94 on April 25. The previous high was \$97.51 on June 12.

China's national average spot pig price as of June 14 was down 0.91% from the previous day. For the week prices are down 0.75%, up 6.00% for the month and up 29.00% year to date and up 29.36% versus a year ago. Dalian live hog futures as of June 14 were down 0.6% from the previous day. For the week prices are unchanged and down 0.33% for the month and up 5.89% year to date.

### TODAY'S MARKET IDEAS:

Despite Wednesday's strong close, yesterday's action was very poor and prices are near unchanged on the week. Buyers seem reluctant to bid up a rally and instead have sold each bounce this week. Cash hog markets may need to firm to encourage any aggressive futures buying as the trend remains neutral/down. Resistance stands at 95.80 to 96.22 on July. Look for support at last week's low of 91.80.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/14/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 95.220. The next area of resistance is around 93.800 and 95.220, while 1st support hits today at 91.750 and below there at 91.100.

## 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	179.500	55.82	55.19	46.90	47.65	179.18	178.51	179.43	176.33	176.16
FCQ24	257.475	51.24	50.86	42.09	44.75	257.84	256.24	258.30	255.94	256.06
LHN24	92.770	32.33	31.43	12.91	15.16	92.91	93.39	95.53	100.66	101.92

Calculations based on previous session. Data collected 06/13/2024

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	176.050	178.070	178.870	180.900	181.700
FCQ24	Feeder Cattle	252.949	255.499	256.899	259.449	260.850
LHN24	Lean Hogs	91.070	91.720	93.150	93.800	95.220

Calculations based on previous session. Data collected 06/13/2024

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