

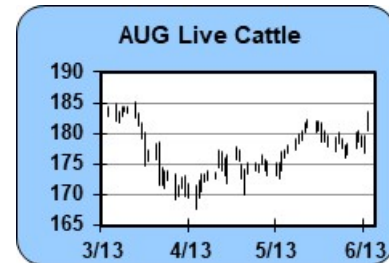


DAILY LIVESTOCK COMMENTARY Monday June 17, 2024

DAILY CATTLE COMMENTARY 6/17/2024

Gap higher on August futures after strong cash trade

Packers got more aggressive Friday with bids in the north jumping to \$197 and that sparked a strong futures rally after the market gapped higher Friday morning on the opening. Hamburger meat has continued to strengthen over the last couple months and is one reason cattle prices remain elevated. The 5-area, 5-day weighted average at the end of last week was 191.69, up from 188.25 a week ago. Cash ideas this week are steady/higher after August futures closed at its highest level since March 20. CFTC data showed managed Money reduced their long position by 4200 contracts as of Tuesday of last week. However, the very strong price action late last week is likely to have resulted in additional longs being added. August futures look poised to test the 2024 highs of 185.05.



The estimated average dressed cattle weight last week was 851 pounds, down 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 522.4 million pounds, up from 513.7 million a year ago.

The USDA estimated cattle slaughter came in at 119,000 head Friday and 7,000 head for Saturday. This brought the total for last week to 615,000 head, up from 614,000 the previous week but down from 636,124 a year ago. The USDA boxed beef cutout was up \$1.50 at mid-session Friday and closed \$1.58 higher at \$319.89. This was up from \$316.75 the previous week. The previous high was \$322.78 on July 5, 2023.

Cattle positioning in the Commitments of Traders for the week ending June 11th showed Managed Money traders net sold 4,252 contracts and are now net long 48,489 contracts. CIT traders are net long 78,496 contracts after net selling 3,161 contracts. Non-Commercial No CIT traders net sold 2,538 contracts and are now net long 36,574 contracts. Non-Commercial & Non-Reportable traders net sold 1,109 contracts and are now net long 61,800 contracts.

TODAY'S MARKET IDEAS:

When packers bid more aggressively on Friday, prices reacted bullishly and August futures closed near 3-month highs after gapping higher on the opening. Support is now at Friday's gap at 180.35 and next key resistance is at the 2024 highs of 185.05, which could be tested this week on follow-through buying from last week strong close.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/4/2024 - 6/11/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	-583	-96	5,444	+182	-4,861	-86
Cattle	76,212	-2,855	-61,800	+1,109	-14,412	+1,746

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) 06/17/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. Follow through buying looks likely if the market can hold yesterday's gap on the day session chart. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 185.800. The next area of resistance is around 184.770 and 185.800, while 1st support hits today at 181.550 and below there at 179.320.

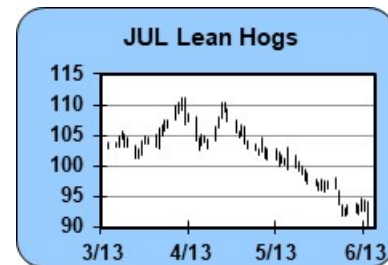
FEEDER CATTLE (AUG) 06/17/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The gap upmove on the day session chart is a bullish indicator for trend. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside objective is at 265.424. The next area of resistance is around 264.049 and 265.424, while 1st support hits today at 259.900 and below there at 257.125.

DAILY HOGS COMMENTARY

6/17/2024

Strong close Friday suggests possible low

Today is likely to be important test for the bull camp after Friday's probe into new lows and subsequent reversal higher on July hogs. CFTC data showed managed Money reduced their net long position by 10,000 contracts to 6200 contracts as of Tuesday of last week. Perhaps, news China is starting an anti-dumping investigation into EU pork imports may have been part of Friday's price strength as US pork may have a chance to gain market share with China. After the long downtrend since April, if July hogs can close higher today the stage would be set to finally see a good short-term upside correction. Estimated US pork production last week was 515.1 million pounds, down from 521.2 the previous week and up from 492.7 a year ago. The CME Lean Hog Index as of June 12 was 91.58, up from 91.38 the previous session but down from 91.92 the previous week. The USDA estimated hog slaughter came in at 456,000 head Friday and 49,000 head for Saturday. This brought the total for last week to 2.390 million head, down from 2.422 million the previous week but up from 2.326 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$100.71, up \$4.66 from Thursday and up from \$100.30 the previous week. The previous low was \$96.05 on June 13. The previous high was \$102.57 on June 11.



China's national average spot pig price as of June 17 was up 1.19% from the previous day. For the week prices are up 1.19%, up 7.26% for the month and up 30.53% year to date and up 28.65% versus a year ago. Dalian live hog futures as of June 17 were down 1.0% from the previous day. For the week prices are down 1.0% and down 1.28% for the month and up 4.89% year to date.

The Commitments of Traders report for the week ending June 11th showed Hogs Managed Money traders were net long 6,171 contracts after decreasing their long position by 10,083 contracts. CIT traders net sold 14,732 contracts and are now net long 88,313 contracts. Non-Commercial No CIT traders were net short 14,861 contracts after increasing their already short position by 8,666 contracts. Non-Commercial & Non-Reportable traders were net long 20,352 contracts after decreasing their long position by 10,065 contracts.

TODAY'S MARKET IDEAS:

Friday's bullish reversal higher after testing the 2024 lows could be a significant development after the price drop over the last couple months. Strong close today would confirm the bullish technical turn higher. Resistance stands at 95.80 to 96.22 on July. Look for pullback support today at 92.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/4/2024 - 6/11/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	23,295	-11,860	-20,352	+10,065	-2,943	+1,795

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 06/17/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next upside target is 96.920. The next area of resistance is around 95.600 and 96.920, while 1st support hits today at 91.700 and below there at 89.100.

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
MEAT COMPLEX										
LCQ24	183.170	69.95	64.91	53.06	65.38	179.98	178.99	179.68	176.59	176.16
FCQ24	261.975	64.37	59.22	46.80	56.23	258.67	256.88	258.49	256.23	255.94
LHN24	93.650	39.76	36.39	16.69	24.25	93.10	93.10	95.18	100.35	101.76

Calculations based on previous session. Data collected 06/14/2024

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	179.300	181.520	182.550	184.770	185.800
FCQ24	Feeder Cattle	257.125	259.899	261.274	264.049	265.424
LHN24	Lean Hogs	89.070	91.670	93.000	95.600	96.920

Calculations based on previous session. Data collected 06/14/2024

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