



DAILY LIVESTOCK COMMENTARY

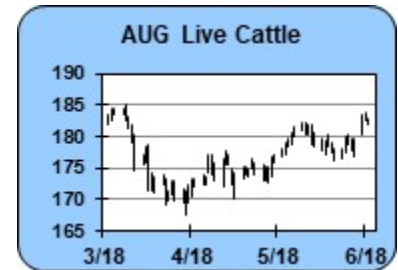
Thursday June 20, 2024

DAILY CATTLE COMMENTARY

6/20/2024

Technical action suggests higher prices

Cash cattle markets were quiet over the holiday but the futures discount to cash is likely to support breaks. Cash steer prices hit record highs last week. In addition, last Friday's gap higher was a bullish technical signal and prices may find solid support on any pullback below 181.00 on August futures. Weekly export sales will be delayed until tomorrow. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 239,000 head, down from 244,000 last week at this time and down from 251,443 a year ago. The USDA boxed beef cutout was up 49 cents at mid-session yesterday and closed 5 cents higher at \$320.52. This was up from \$318.21 the previous week and the highest since July 5, 2023. The 5-area, 5-day weighted average so far this week is 192.00 up from 188.25 last week.



Estimates for the June 21 Cattle On Feed report have On Feed at 99.1% (range of 98.3% to 100.7%) versus last year at 97.0%. Placement average estimate is 98.7% (range of 95.0% to 102.4%) versus last year at 104.6%. The average estimate for Marketings is 100.2% with a range of 99.3% to 101.2%. Last year at this time was 101.7%.

TODAY'S MARKET IDEAS:

The gap higher 3 days ago was a strong technical sign for continued gains and we expect prices to test the 2024 highs at 185.05 on August futures. Friday's gap higher shifts support to 180.35-179.67 on August futures.

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.

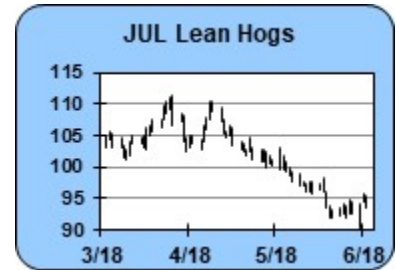
LIVE CATTLE (AUG) 06/20/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside objective is at 183.400. The next area of resistance is around 182.650 and 183.400, while 1st support hits today at 181.520 and below there at 181.120.

FEEDER CATTLE (AUG) 06/20/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 262.637. The next area of resistance is around 261.149 and 262.637, while 1st support hits today at 258.750 and below there at 257.838.

DAILY HOGS COMMENTARY
6/20/2024

Pullback may find technical support

July hog price action Tuesday was disappointing, closing near the lows the day. However, the significant reversal higher 3 sessions ago should result in good support on pullbacks. Unfortunately for the bull camp, the upcoming June hog and pig report on June 27 is expected to be bearish and that may keep rallies limited. Iowa/Minnesota weekly estimated average hog weight was 287.4 pounds down from 289 last week but well above this week last year at 278.5. The CME Lean Hog Index as of June 14 was 90.73, down from 91.44 the previous session and from 91.52 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 941,000 head, down from 945,000 last week at this time but up from 924,462 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.47, down 75 cents from Monday and down from \$102.57 the previous week.



China's national average spot pig price as of June 20 was up 0.22% from the previous day. For the week prices are down 0.75%, up 5.20% for the month and up 28.03% year to date and up 27.58% versus a year ago. Dalian live hog futures as of June 20 were up 0.1% from the previous day. For the week prices are down 1.4% and down 2.09% for the month and up 4.03% year to date.

TODAY'S MARKET IDEAS:

The technical turn higher late last week should result in this pullback finding buyers. Last Friday's low looks to be an important turning point that is unlikely to get taken out for the near-term. Gap resistance stands at 95.80 to 96.22 on July and beyond that 97.85 is moving average resistance. Look for pullback support today at 93.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/20/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. 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 upside target is 93.320. The next area of resistance is around 92.450 and 93.320, while 1st support hits today at 90.700 and below there at 89.800.

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	182.070	62.80	60.56	65.18	75.63	181.89	179.94	179.84	177.15	176.16

FCQ24	259.950	56.07	54.49	56.65	66.02	260.18	258.04	258.41	256.81	255.74
LHQ24	91.570	42.01	37.25	21.60	34.04	90.63	90.57	93.03	98.36	99.93

Calculations based on previous session. Data collected 06/18/2024

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	181.100	181.500	182.250	182.650	183.400
FCQ24	Feeder Cattle	257.837	258.749	260.237	261.149	262.637
LHQ24	Lean Hogs	89.770	90.670	91.550	92.450	93.320

Calculations based on previous session. Data collected 06/18/2024

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