



DAILY LIVESTOCK COMMENTARY

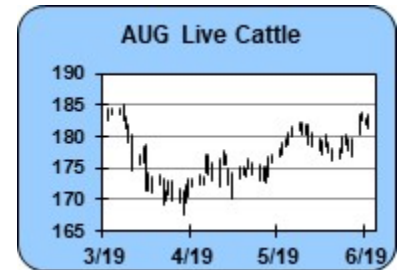
Friday June 21, 2024

DAILY CATTLE COMMENTARY

6/21/2024

Cattle on Feed report this afternoon

August live cattle closed higher Thursday after trading both sides of unchanged, keeping the intermediate uptrend intact. If prices can exceed this week's high of 183.70, a test of the 2024 high at 185.05 on August would be likely. A few cash cattle traded in Iowa/Minnesota yesterday and the 5-day, 5-area weighted average for the week is now 195.43, up from 192.03 to end last week. US weekly beef export sales were decent at 14,900 metric tonnes, up 24% from the previous week but down 7% from the four-week average. Today's estimates for this afternoon's Cattle On Feed report have On Feed at 99.1% with a range of 98.3% to 100.7%. Placement average estimate is 98.7% with a range of 95.0% to 102.4%. The average estimate for Marketings is 100.2% with a range of 99.3% to 101.2%.



The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 481,000 head, down from 489,000 last week at this time and down from 504,561 a year ago. The USDA boxed beef cutout was up \$1.90 at mid-session yesterday and closed \$2.17 higher at \$322.87. This was up from \$318.31 the previous week. The previous low was \$320.70 on June 19. The previous high was \$328.34 on July 3, 2023.

TODAY'S MARKET IDEAS:

This afternoon's cattle on feed report will be the market driver early next week but the overall market trend is higher. Resistance sits at this week's high of 183.70 and a close over this week's high would project a test of the 2024 high at 185.05 on August. August support is at Friday's gap up at 180.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/21/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 184.900. The next area of resistance is around 183.750 and 184.900, while 1st support hits today at 181.370 and below there at 180.120.

FEEDER CATTLE (AUG) 06/21/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. 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

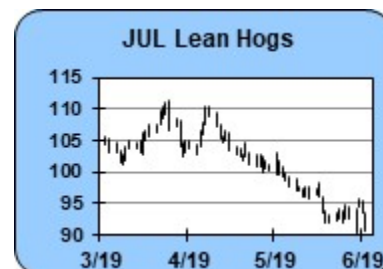
moving average. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 263.806. The next area of resistance is around 261.762 and 263.806, while 1st support hits today at 257.888 and below there at 256.057.

DAILY HOGS COMMENTARY

6/21/2024

Technical selling sends market deeper into support

July hogs started the day Thursday with a gap lower, as cash markets and cutout values weakened, putting the bull camp on their back foot after last week's reversal higher. Technical selling throughout the day pushed prices down near last week's low. July hogs closed at their lowest level since early January. Back month December hogs fell to a lesser degree but need a turn higher to finish the week to keep last week's bullish reversal intact. Pork weekly export sales were weak at 21,400 metric tonnes, down 29% from the previous week and down 34% from the 4-week average. US pork production in May was 2.28 billion pounds up.3% from the previous year and hog slaughter was 10.58 million head, slightly below last year. Average live weight was 290 pounds compared to 289 last May.



The CME Lean Hog Index as of June 17 was 90.59, down from 90.73 the previous session and from 91.32 the previous week. The USDA estimated hog slaughter came in at 480,000 head yesterday. This brings the total for the week so far to 1.904 million head, up from 1.885 million last week at this time and up from 1.837 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$96.56, down 12 cents from Wednesday but up from \$96.05 the previous week. The average hog weight for Iowa-Southern Minnesota as of June 15 was 287.4 pounds, down from 289 pounds the previous week and up from 278.5 a year ago. The 5-year average is 283.5 pounds.

China's national average spot pig price as of June 21 was down 0.11% from the previous day. For the week prices are down 0.86%, up 5.09% for the month and up 27.89% year to date and up 28.96% versus a year ago. Dalian live hog futures as of June 21 were down 0.7% from the previous day. For the week prices are unchanged and down 2.59% for the month and up 3.49% year to date

TODAY'S MARKET IDEAS:

Very disappointing action Thursday for the bull camp with a gap down on July hogs and heavy selling throughout the day after USDA confirmed record pork production in May. While the chart is still holding the reversal low a week ago 90.40, price action is not very encouraging. Overhead gap resistance is now at 93.40-93.65. Key support stands at 90.40 and at the 2024 lows of 89.87.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/21/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup

with the close below the 2nd swing support. The next upside objective is 91.920. The next area of resistance is around 90.300 and 91.920, while 1st support hits today at 87.920 and below there at 87.150.

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	182.550	64.58	61.75	69.74	78.87	182.66	180.50	179.92	177.36	176.20
FCQ24	259.825	55.56	54.20	60.56	68.36	260.77	258.82	258.32	256.98	255.70
LHQ24	89.120	31.82	30.77	24.47	30.22	90.76	90.29	92.59	98.09	99.70

Calculations based on previous session. Data collected 06/20/2024

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	180.070	181.320	182.500	183.750	184.900
FCQ24	Feeder Cattle	256.056	257.887	259.931	261.762	263.806
LHQ24	Lean Hogs	87.120	87.900	89.520	90.300	91.920

Calculations based on previous session. Data collected 06/20/2024

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