

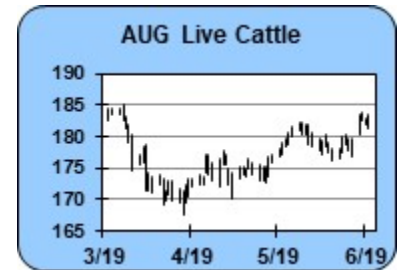


DAILY LIVESTOCK COMMENTARY Monday June 24, 2024

DAILY CATTLE COMMENTARY 6/24/2024

Bearish placements in Cattle on Feed report

Friday's Cattle On Feed report showed On Feed at 100% of last year, compared to 99.1% expected and an estimate range of 98.3% to 100.7%. Placements came in at 104%, well above the average estimate of 98.7% and above the top of the range of 95.0% to 102.4%. Marketings came in at 100% a year ago, right on the estimates of 100.2%. Clearly the much higher-than-expected placement number was the main bearish surprise, although on feed numbers were also a bit bearish. Improved wheat pasture grazing conditions may be the reason for the larger than expected placements which are expected to negatively affect the October and December contracts this morning, while the front months will be supported by cash trade Friday that was \$5 above the prior week in Nebraska and Iowa and \$4 above in Kansas and Texas. Live the sales were mainly \$189-\$190 in the South and \$198-\$199 in the north. August futures has significant support at the upside gap a week ago at 180.35. The 5-day, 5-area weighted average for last week was 195.54, compared to the previous week at 192.03. The USDA estimated cattle slaughter for last week was 620,000 head, up from 615,000 the previous week. The USDA boxed beef cutout was down 52 cents at mid-session Friday and closed 48 cents lower at \$322.39. This was up from \$319.89 the previous week. Beef production last week was 525.8 million pounds, up from 522 million the week before and 526 million a year ago.



U.S. beef export sales for the week ending June 13 came in at 14,900 tonnes compared with the average of the previous four weeks of 15,900 tonnes. Cumulative sales for the 14.9 have reached 497,400 tonnes, up 0.7% versus last year's pace. The top buyers were South Korea with 4,700 tonnes, Japan with 3,800 tonnes, and Mexico with 2,100 tonnes.

TODAY'S MARKET IDEAS:

The bearish cattle on feed report showing surprisingly high placements is expected to pressure fall and winter month contracts while strong cash trade to finish last week is supportive to the front months. Close in resistance is at last week's high of 183.70 on August futures and then 185.05, which is the 2024 high. Breaks under 181.00 should find support.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/24/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 185.200. The next

area of resistance is around 184.250 and 185.200, while 1st support hits today at 182.050 and below there at 180.800.

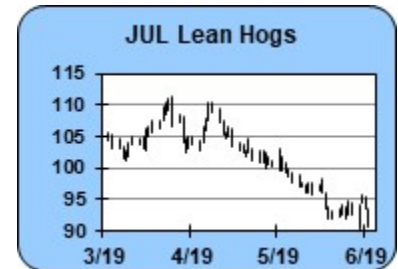
FEEDER CATTLE (AUG) 06/24/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 260.887. The next area of resistance is around 259.450 and 260.887, while 1st support hits today at 257.300 and below there at 256.588.

DAILY HOGS COMMENTARY

6/24/2024

Trading volume light Friday, export sales hit 5-week low

August hogs last week lost about a \$1.00 and trading volume Friday was the lowest in a month. Cash markets were flat and Friday's export sales were the lowest in the last 5 weeks. The June Hog and Pig report will be out Thursday afternoon and is expected to be bearish. Last week's significant technical reversal higher still looks like an important technical low at 86.67 on August. The CME Lean Hog Index as of June 19 was 90.55, down from 90.72 the previous session and from 91.58 the previous week. The USDA estimated hog slaughter came in at 474,000 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 \$98.54, up \$1.98 from Thursday but down from \$100.71 the previous week. Estimated US pork production last week was 521.5 million pounds, up from 515.1 the previous week and up from 497.9 a year ago.



China's national average spot pig price as of June 24 was down 4.73% from the previous day. For the week prices are down 4.73%, up 0.11% for the month and up 21.84% year to date and up 22.86% versus a year ago. Dalian live hog futures as of June 24 were down 0.8% from the previous day. For the week prices are down 0.8% and down 3.21% for the month and up 2.84% year to date

U.S. pork export sales for the week ending June 13 came in at 21,400 tonnes compared with the average of the previous four weeks of 32,700 tonnes. Cumulative sales for the 2024 marketing year have reached 997,000 tonnes, down 2.9% versus last year's pace. Top buyers were Mexico with 7,400 tonnes, Japan with 5,800 MT), and the Dominican Republic with 2,500 tonnes.

TODAY'S MARKET IDEAS:

While the chart is still holding the reversal low a week ago at 89.67 on August, prices need to find some bullish momentum early this week to turn recent bearish sentiment around. August support stands at 88.35 and last week's low of 86.67. Look for resistance on a bounce to 90.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/24/2024: 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 close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 90.450. The next area of resistance is around 89.900 and 90.450, while 1st support hits today at 88.750 and below there at 88.070.

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	183.150	66.94	63.33	74.07	82.72	182.65	181.17	180.03	177.59	176.31
FCQ24	258.375	49.61	50.77	62.45	66.24	259.87	259.20	258.22	257.12	255.72
LHQ24	89.320	33.30	31.81	25.77	28.37	90.48	90.03	92.17	97.80	99.47

Calculations based on previous session. Data collected 06/21/2024

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	180.770	182.020	183.000	184.250	185.200
FCQ24	Feeder Cattle	256.587	257.300	258.737	259.450	260.887
LHQ24	Lean Hogs	88.020	88.700	89.250	89.900	90.450

Calculations based on previous session. Data collected 06/21/2024

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