



DAILY LIVESTOCK COMMENTARY

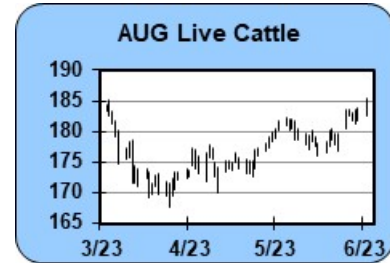
Tuesday June 25, 2024

DAILY CATTLE COMMENTARY

6/25/2024

Market rejects bearish COF and makes new yearly high

August cattle had their highest close yesterday since October 2023, rejecting the bearish cattle on feed report from Friday. Record high cash cattle trade late last week may continue with steady/higher prices again this week. Commitment of Traders data showed managed Money increased their net long position by more than 3000 contracts to just under 52,000 contracts long as of Tuesday of last week. With the technical picture pointing higher after Monday's strong close, look for further gains with next resistance on August futures at 187.10. Some cash cattle trade in the north was noted at 195 - \$197 yesterday and the 5-area, 5-day weighted average is 194.36, slightly above 194.28 at the end of last week. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was down from 116,000 last week and down from 124,524 a year ago. The USDA boxed beef cutout was up 1 cent at mid-session yesterday and closed 25 cents higher at \$322.64. This was up from \$320.47 the previous week.



Cattle positioning in the Commitments of Traders for the week ending June 18th showed Managed Money traders net bought 3,235 contracts and are now net long 51,724 contracts. CIT traders are net long 79,362 contracts after net buying 866 contracts. Non-Commercial No CIT traders net bought 3,140 contracts and are now net long 39,714 contracts. Non-Commercial & Non-Reportable traders were net long 65,733 contracts after increasing their already long position by 3,933 contracts.

TODAY'S MARKET IDEAS:

Traders ignored the bearish cattle on feed report and heavy buying hit the market right after yesterday morning's lower opening, pushing prices up to a new high for the year. Cash cattle trade is expected to stay strong this week and upside follow-through is expected after yesterday's strong close. Look for resistance on August at 187.10 and support at 182.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/11/2024 - 6/18/2024						
	Non-Commercial			Commercial	Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-646	-63	5,721	+277	-5,075	-214
Cattle	79,483	+3,271	-65,733	-3,933	-13,750	+662

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) 06/25/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 187.300. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 186.270 and 187.300, while 1st support hits today at 183.370 and below there at 181.470.

FEEDER CATTLE (AUG) 06/25/2024: Momentum studies are rising from mid-range, which could accelerate 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. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 261.793. The next area of resistance is around 260.612 and 261.793, while 1st support hits today at 257.188 and below there at 254.944.

DAILY HOGS COMMENTARY

6/25/2024

New contract lows to start the week

August hogs came under heavy pressure to start the week and fell to a new contract low, negating the upside reversal seen early last week. Cutout values remain weak and the quarterly hog and pig report on Thursday is expected to be bearish and clearly prices are factoring that in. With such a heavy bearish lean going into the report, it will likely have to be extra bearish to push prices down from here. CFTC data showed managed Money shifted from long to a small short position as of Tuesday of last week. The CME Lean Hog Index as of June 20 was 90.32, down from 90.55 the previous session and from 91.44 the previous week. The USDA estimated hog slaughter came in at 473,000 head yesterday. This was up from 459,000 last week and up from 438,497 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$96.94, down \$1.60 from Friday and down from \$98.22 the previous week. The previous low was \$96.56 on June 20. The previous high was \$98.54 on June 21.



China's national average spot pig price as of June 25 was unchanged 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 23.73% versus a year ago. Dalian live hog futures as of June 25 were down 0.1% from the previous day. For the week prices are down 0.9% and down 3.85% for the month and up 2.16% year to date

The Commitments of Traders report for the week ending June 18th showed Hogs Managed Money traders went from a net long to a net short position of 222 contracts after net selling 6,393 contracts. CIT traders are net long 88,742 contracts after net buying 429 contracts. Non-Commercial No CIT traders were net short 19,217 contracts after increasing their already short position by 4,356 contracts. Non-Commercial & Non-Reportable traders were net long 17,158 contracts after decreasing their long position by 3,194 contracts.

TODAY'S MARKET IDEAS:

Last week's strong upside reversal was negated yesterday with the new contract low close in August futures. Perhaps, that's what the market needs to shake loose the last of the bulls and finally get a turnaround to the upside. The hog and pig report Thursday is expected to be bearish but prices appear to have that factored in already. Look for next support at 85.40 on August. Initial upside resistance stands at 88.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/11/2024 - 6/18/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	18,702	-4,593	-17,159	+3,193	-1,544	+1,399

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/25/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar 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 downside target is 84.350. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 88.150 and 90.070, while 1st support hits today at 85.300 and below there at 84.350.

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	184.820	72.67	67.39	78.34	86.89	183.16	181.71	180.20	177.84	176.45
FCQ24	258.899	51.72	51.95	63.69	66.16	259.26	259.23	257.90	257.22	255.74
LHQ24	86.720	25.25	26.27	24.23	21.16	89.19	89.64	91.65	97.47	99.19

Calculations based on previous session. Data collected 06/24/2024

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	181.450	183.350	184.370	186.270	187.300
FCQ24	Feeder Cattle	254.943	257.187	258.368	260.612	261.793
LHQ24	Lean Hogs	84.320	85.270	87.200	88.150	90.070

Calculations based on previous session. Data collected 06/24/2024

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