

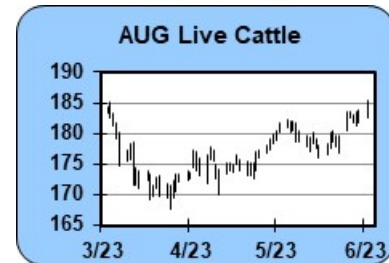


DAILY LIVESTOCK COMMENTARY Wednesday June 26, 2024

DAILY CATTLE COMMENTARY 6/26/2024

May beef stocks down 3% from April

August cattle futures ended slightly lower yesterday after a fairly quiet session but the trend remains higher and further gains are likely. Next week's July 4 holiday is expected to limit packer demand this week but with futures prices at the highest levels of the year, cattle feeders may be looking for at least steady if not higher prices later this week. The June cold storage report showed May beef stocks down 3% from April and slightly lower compared to last year. Cash cattle trade was very light yesterday with just a few head traded in the north at \$196. The 5-area, 5-day weighted average remains unchanged from yesterday at 194.36, slightly above 194.28 at the end of last week. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 236,000 head, down from 239,000 last week at this time and down from 252,988 a year ago. The USDA boxed beef cutout was up \$1.16 at mid-session yesterday and closed 75 cents higher at \$323.39. This was up from \$320.52 the previous week and the highest since July 3, 2023. Showlist sizes this week are expected down 9799 in Texas from last week to 91,615 head, up 441 in Kansas to 80,574 head and down 4311 in Nebraska/Colorado to 59,859 head.



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:

August live cattle took a breather yesterday after the breakout action on Monday, following the bearish cattle on feed report late last week. May beef stocks were down 3% from April and may add some support to the market today. Cash trade later this week is expected steady/higher. Look for resistance on August at 187.10 and support at 182.15.

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) 06/26/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 185.650. The

next area of resistance is around 185.020 and 185.650, while 1st support hits today at 183.850 and below there at 183.320.

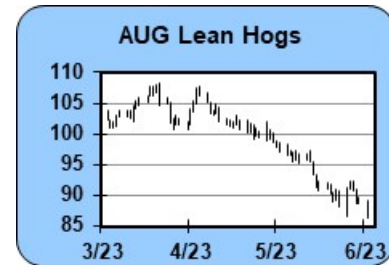
FEEDER CATTLE (AUG) 06/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close below the 9-day moving average is a negative short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 261.437. The next area of resistance is around 260.175 and 261.437, while 1st support hits today at 257.925 and below there at 256.938.

DAILY HOGS COMMENTARY

6/26/2024

May frozen pork supplies down 3% from April

August hogs started yesterday strong but were unable to hold the rally and ended the day unchanged. USDA monthly Cold Storage report for May showed frozen pork down 3% from April and down 9% from a year ago. Pork belly stocks were down 7% from last month and 14% lower than last year. The report may offer some support for today's trade although the more important June 1 hog and pig inventory report comes out tomorrow afternoon. All hogs and pigs are expected to be up 1.2% from last year and most all categories of hogs are expected to be higher except for the breeding herd, which is anticipated to be down 2.3% from last year. The recent price break has likely factored in a bearish report already. A new bullish technical signal is needed to start a rally. The CME Lean Hog Index as of June 21 was 89.90, down from 90.32 the previous session and from 91.73 the previous week. The USDA estimated hog slaughter came in at 481,000 head yesterday. This brings the total for the week so far to 944,000 head, up from 941,000 last week at this time and up from 904,761 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$94.34, down \$2.60 from Monday and down from \$97.03 the previous week. The previous low was \$93.06 on March 29. The previous high was \$96.94 on June 24.



June 1 All Hogs & Pigs is expected to be 101.2% above last year with a range of 100.4% to 101.7%. That would be the largest June 1 hog herd since 2020. Breeding inventory is expected at 97.7% of last year (range 97% - 98.5%) and market inventory 101.5% of last year (range 100.7%-102%). Pig crop is expected to be 101.3% of year ago with a range of 100.9% to 101.6%. The USDA report will be released 2:00pm CT on June 27.

China's national average spot pig price as of June 26 was down 0.17% from the previous day. For the week prices are down 4.89%, down 0.06% for the month and up 21.63% year to date and up 24.13% versus a year ago. Dalian live hog futures as of June 26 were up 0.4% from the previous day. For the week prices are down 0.5% and down 2.01% for the month and up 4.12% 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:

August hog price action was weak again yesterday as early rally could not hold. The bullish cold storage report yesterday afternoon may offer some support today to prices. The June 1 hog and pig report tomorrow afternoon is expected to be bearish, but the recent significant decline has likely priced that in. Although there is a lack of a clear bullish technical signal to start rally, tomorrow's hog and pig report could spark some buying if the report is neutral to friendly. Look for next support at 85.40 on August. Initial upside resistance stands at 88.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/26/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 downside target is 84.870. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 87.870 and 89.400, while 1st support hits today at 85.620 and below there at 84.870.

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	184.420	69.44	65.52	81.49	87.78	183.74	182.32	180.43	178.08	176.55
FCQ24	259.050	52.36	52.31	64.62	66.50	259.04	259.38	257.84	257.34	255.75
LHQ24	86.750	25.45	26.40	21.96	17.40	87.98	89.38	91.14	97.08	98.92

Calculations based on previous session. Data collected 06/25/2024

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	183.300	183.820	184.470	185.020	185.650
FCQ24	Feeder Cattle	256.937	257.925	259.187	260.175	261.437
LHQ24	Lean Hogs	84.850	85.600	87.120	87.870	89.400

Calculations based on previous session. Data collected 06/25/2024

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