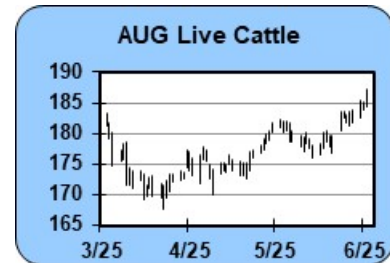




**DAILY CATTLE COMMENTARY**  
6/27/2024

**Futures discount to cash shrinking**

August cattle closed very strong yesterday, moving to its highest level since October 13 of last year. Cash trade was supportive as light trade was seen in Iowa/Minnesota yesterday at \$197 - \$200. That brings the 5-area, 5-day weighted average to 194.22, compared to 194.28 at the end of last week. August futures has significantly narrowed the discount to cash this week and technical indicators point higher. Look for next resistance at 187.50 on August futures. Weekly export sales improved from last week. The USDA estimated cattle slaughter came in at 117,000 head yesterday. This brings the total for the week so far to 353,000 head, down from 360,000 last week at this time and down from 377,402 a year ago. The USDA boxed beef cutout was down 44 cents at mid-session yesterday and closed 54 cents lower at \$322.85. This was up from \$320.70 the previous week. The previous low was \$322.64 on June 24. The previous high was \$323.39 on June 25.



Weekly export sales showed net sales of 16,700 MT for 2024 were up 13 percent from the previous week and 17 percent from the prior 4-week average. Increases were primarily for Japan, China, South Korea, Canada. The largest buyer was Japan (4,700 MT), followed by South Korea (3,900MT), China (1,900 MT), Canada (1,600 MT), and Taiwan (1,500 MT).

**TODAY'S MARKET IDEAS:**

August cattle resumed its strong rally yesterday closing at the highest in a year and half. Cash ideas remain strong, and the technical outlook is bullish with this week's breakout. Additional support today may come from export sales improving from last week. Look for resistance on August at 187.10 and support at 182.15.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

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LIVE CATTLE (AUG) 06/27/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 189.270. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 188.250 and 189.270, while 1st support hits today at 185.250 and below there at 183.250.

FEEDER CATTLE (AUG) 06/27/2024: Studies are showing positive momentum but are now in overbought

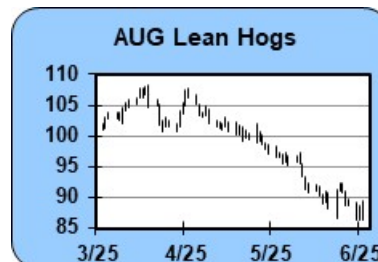
territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside target is 264.468. The next area of resistance is around 263.462 and 264.468, while 1st support hits today at 260.088 and below there at 257.719.

## DAILY HOGS COMMENTARY

6/27/2024

### Hog and Pig inventory report this afternoon

August hogs shot higher after the opening yesterday on the bullish Cold Storage report and formed another potentially bullish key reversal. A higher close today would confirm a rally is in store. The June hog and pig inventory report will be out after the close this afternoon. All hogs and pigs are expected to be up .8% 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. The CME Lean Hog Index as of June 24 was 89.85, down from 89.90 the previous session and from 90.59 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 1.424 million head, unchanged from last week at this time but up from 1.357 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$94.52, up 18 cents from Tuesday but down from \$96.68 the previous week. The previous low was \$94.34 on June 25. The previous high was \$96.94 on June 24.



China's national average spot pig price as of June 27 was up 0.17% 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 25.14% versus a year ago. Dalian live hog futures as of June 27 were up 1.0% from the previous day. For the week prices are up 0.5% and down 1.98% for the month and up 4.15% year to date.

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.

### TODAY'S MARKET IDEAS:

A 2nd strong reversal higher in the last 2 weeks was seen yesterday on August futures and that may be enough to finally end the downtrend since mid-April. Although the June 1 hog and pig inventory report will be out later this afternoon, the recent price break has likely factored in a bearish report already. A strong close on August today would confirm the bullish reversal. Nearby resistance is 90.90.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/27/2024: The daily stochastics have crossed over up which is a bullish indication. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above

resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day up and close above the previous day's high is a positive signal. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 91.570. The next area of resistance is around 90.570 and 91.570, while 1st support hits today at 87.400 and below there at 85.220.

## 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
<b>MEAT COMPLEX</b>										
LCQ24	186.750	76.32	70.61	84.58	90.77	184.79	183.25	180.82	178.31	176.80
FCQ24	261.774	62.51	58.30	67.76	74.04	259.53	259.85	257.99	257.42	255.91
LHQ24	88.970	40.88	37.24	22.71	24.22	87.94	89.27	90.74	96.73	98.67

Calculations based on previous session. Data collected 06/26/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCQ24	Live Cattle	183.220	185.220	186.250	188.250	189.270
FCQ24	Feeder Cattle	257.718	260.087	261.093	263.462	264.468
LHQ24	Lean Hogs	85.200	87.370	88.400	90.570	91.570

Calculations based on previous session. Data collected 06/26/2024

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