



# DAILY LIVESTOCK COMMENTARY

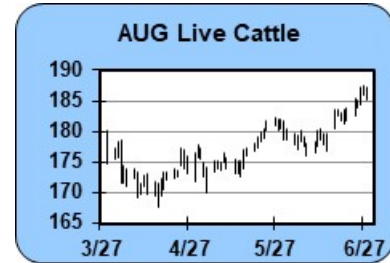
Monday July 01, 2024

## DAILY CATTLE COMMENTARY

7/1/2024

### Strong cash last week supportive to start the week

August futures closed weaker Friday after hitting their highest level in 8 months earlier in the week. Boxed beef values gained last week and higher cash trade was also supportive. For the short holiday week, look for resistance on August at last week's highs at 187.42. Pullback support is likely to surface on a break to 183.35. Live cash trade Friday in the north was \$197-198 and the South \$188-194. The 5-area, 5-day weighted average for the week ended at 192.83, down from 194.28 at the end of the prior week. Sales volumes were a bit light for the 3rd week in a row. The estimated average dressed cattle weight last week was 848 pounds, down from 850 the previous week and up from 809 a year ago. The 5-year average weight for that week is 813 pounds. Estimated beef production last week was weaker at 515.7 million pounds, down from 525.3 million a year ago. The USDA estimated cattle slaughter came in at 119,000 head yesterday. This brings the total for the week so far to 593,000 head, down from 601,000 last week at this time and down from 627,733 a year ago. The USDA boxed beef cutout was up \$2.40 at mid-session Friday and closed \$2.99 higher at \$326.32. This was up from \$322.39 the previous week. The previous low was \$323.33 on June 27. The previous high was \$328.34 on July 3, 2023.



The June 25th Commitments of Traders report showed Cattle Managed Money traders net bought 4,136 contracts and are now net long 55,860 contracts. CIT traders net bought 2,950 contracts and are now net long 82,312 contracts. Non-Commercial No CIT traders reduced their net long position by 4,952 contracts to a net long 34,762 contracts. Non-Commercial & Non-Reportable traders net sold 4,929 contracts and are now net long 60,804 contracts.

### TODAY'S MARKET IDEAS:

August cattle pulled back Friday but the trend remains higher after last week's best close since October of last year. Higher boxed beef was supportive and despite Friday's break, technicals still point higher. Open interest has gained significantly since mid-June on the rally and that suggests new longs are willing to enter at these prices. Look for resistance on August at 187.42 and support at 183.35.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/18/2024 - 6/25/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Feeder Cattle	-2,910	-2,264	7,746	+2,025	-4,836	+239
Cattle	76,576	-2,907	-60,803	+4,930	-15,772	-2,022

## 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) 07/01/2024:** Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 188.050. The next area of resistance is around 186.520 and 188.050, while 1st support hits today at 184.300 and below there at 183.570.

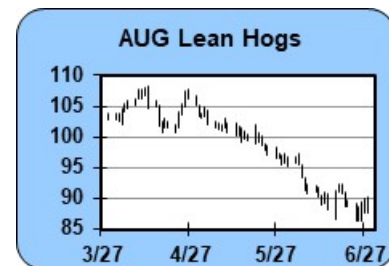
**FEEDER CATTLE (AUG) 07/01/2024:** Momentum studies are trending higher but have entered overbought levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 262.987. The next area of resistance is around 260.975 and 262.987, while 1st support hits today at 257.625 and below there at 256.288.

## DAILY HOGS COMMENTARY

7/1/2024

### 1st higher weekly close since mid-April

August hogs ended Friday's session in the upper portion of the day's range and set a new high for the week. The higher weekly close resulted in a weekly upside reversal and was the 1st week to close higher since the middle of April. With technical indicators showing bullish divergence and prices finally showing weekly gains, the path of least resistance looks higher. Look for August resistance at 91.60 and support should be evident on a break below 87.50. Estimated US pork production last week was 521.5 million pounds, unchanged 521.5 the previous week and up from 487.5 a year ago. The USDA estimated hog slaughter came in at 472,000 head yesterday. This brings the total for the week so far to 2.358 million head, down from 2.373 million last week at this time but up from 2.259 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$97.35, up \$2.99 from Thursday but down from \$98.54 the previous week. The previous low was \$94.36 on June 27. The previous high was \$98.54 on June 21.



China's national average spot pig price as of July 1 was up 2.77% from the previous day. For the week prices are up 2.77%, up 2.77% for the month and up 26.29% year to date and up 31.50% versus a year ago. Dalian live hog futures as of July 01 were up 0.1% from the previous day. For the week prices are up 0.1% and up 0.11% for the month and up 4.50% year to date

Hogs positioning in the Commitments of Traders for the week ending June 25th showed Managed Money traders were net short 9,097 contracts after increasing their already short position by 8,875 contracts. CIT traders reduced their net long position by 3,434 contracts to a net long 85,308 contracts. Non-Commercial No CIT traders net sold 13,362 contracts and are now net short 32,579 contracts. Non-Commercial & Non-Reportable traders are net long 2,681 contracts after net selling 14,477 contracts.

### TODAY'S MARKET IDEAS:

Despite last week's bearish hog and pig report, prices closed the week strong, and we look for further gains this week. August futures appear to have turned the corner after the long bearish slide and are ready for a corrective rebound. Managed Money increased their net short position as of Tuesday of last week, however, the strength late last week may result in speculative shorts looking to further reduce their short positions. Look for nearby August futures resistance at 90.30 and 91.60. Support is 87.50.

### NEW RECOMMENDATIONS:

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 6/18/2024 - 6/25/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	4,021	-14,681	-2,681	+14,478	-1,340	+204

**PORK COMPLEX TECHNICAL OUTLOOK:**

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LEAN HOGS (AUG) 07/01/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 91.800. The next area of resistance is around 90.770 and 91.800, while 1st support hits today at 88.200 and below there at 86.650.

**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	185.420	65.89	64.43	86.94	87.47	185.76	184.28	181.63	178.82	177.23
FCQ24	259.300	50.71	51.68	70.33	70.40	260.19	259.91	258.39	257.51	256.13
LHQ24	89.500	45.66	41.02	27.10	33.77	88.33	89.11	89.93	95.91	98.12

Calculations based on previous session. Data collected 06/28/2024

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	183.550	184.270	185.800	186.520	188.050
FCQ24	Feeder Cattle	256.287	257.625	259.637	260.975	262.987
LHQ24	Lean Hogs	86.620	88.170	89.200	90.770	91.800

Calculations based on previous session. Data collected 06/28/2024

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