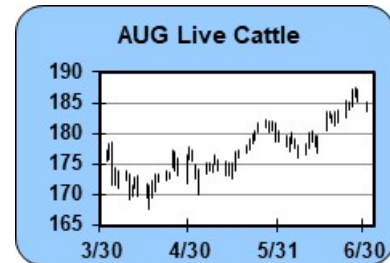




DAILY CATTLE COMMENTARY
7/2/2024

Futures pulling back after record June expiration

August cattle were weaker at the close Monday but the recent rise in open interest on the rally is supportive of the uptrend. The cash feeder index hit a record high last week but pulled back yesterday. Short-term technical indicators crossed to the downside yesterday which may indicate the market will pullback further. 50% retracement support of the upswing from June 13 to late last week is 182.05 an August. Recent breaks have been buying opportunities. There was no live cash cattle trade yesterday. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was unchanged from last week but up from 77,216 a year ago. The USDA boxed beef cutout was up \$3.56 at mid-session yesterday and closed \$2.86 higher at \$329.18. This was up from \$322.64 the previous week and the highest since June 27, 2023. Estimated showlist sizes this week are expected to be down 6357 in Texas to 85,258, up 2251 in Kansas at 82,825 and up 5587 in Nebraska/Colorado to 65,446 head.



TODAY'S MARKET IDEAS:

After the June contract expired at record high levels late last week, prices have had a minor pullback, but the overall uptrend is intact. Look for retracement support at 182.05 and key resistance remains at last week's high of 187.42 on August. Short-term technical indicators point to additional weakness, but traders will be likely looking to buy a pullback as they have done since mid-April.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/02/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 182.820. Daily studies pointing down suggests selling minor rallies. The next area of resistance is around 185.020 and 185.850, while 1st support hits today at 183.520 and below there at 182.820.

FEEDER CATTLE (AUG) 07/02/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The

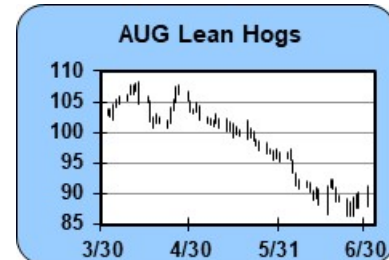
market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 254.807. The next area of resistance is around 258.762 and 260.356, while 1st support hits today at 255.988 and below there at 254.807.

DAILY HOGS COMMENTARY

7/2/2024

Weak close Monday put bulls to the test

August hogs closed weak yesterday after an early rally faded and the choppy conditions seen in the month of June have continued as the market has been unable to extend significantly in either direction. Technical conditions did turn positive with the upside reversal last week but similar to the previous reversal June 14, the market has been unable to follow through significantly to the upside. Look for resistance at 90.10 on August and support at 87.50. The CME Lean Hog Index as of June 27 was 89.47 down from 89.75 the previous session and from 90.32 the previous week. The USDA estimated hog slaughter came in at 477,000 head yesterday. This was up from 463,000 last week and up from 394,314 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$95.01, down \$2.34 from Friday and down from \$96.94 the previous week. The previous low was \$94.36 on June 27. The previous high was \$97.35 on June 28.



China's national average spot pig price as of July 2 was down 0.17% from the previous day. For the week prices are up 2.60%, up 2.60% for the month and up 26.08% year to date and up 31.28% versus a year ago. Dalian live hog futures as of July 02 were up 0.8% from the previous day. For the week prices are up 0.9% and up 0.94% for the month and up 5.36% year to date.

TODAY'S MARKET IDEAS:

Monday's poor close is testing the bull camp's resolve after last week's key reversal higher. August futures appeared to have turned the corner after the long bearish slide but now need a quick turn back higher to keep the positive technical picture intact. Look for nearby August futures resistance at 90.10 and 91.60. Support is 87.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/02/2024: 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 could take on a defensive posture with the daily closing price reversal down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 92.150. The next area of resistance is around 89.820 and 92.150, while 1st support hits today at 86.520 and below there at 85.520.

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	184.270	57.95	59.48	85.15	81.55	185.73	184.44	181.95	179.01	177.41
FCQ24	257.375	43.20	47.06	66.95	60.20	259.78	259.47	258.47	257.49	256.18
LHQ24	88.150	40.06	37.51	29.09	33.06	88.69	88.69	89.63	95.53	97.82

Calculations based on previous session. Data collected 07/01/2024

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	182.800	183.500	184.320	185.020	185.850
FCQ24	Feeder Cattle	254.806	255.987	257.581	258.762	260.356
LHQ24	Lean Hogs	85.500	86.500	88.820	89.820	92.150

Calculations based on previous session. Data collected 07/01/2024

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