



DAILY LIVESTOCK COMMENTARY

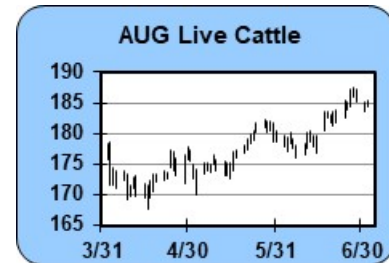
Wednesday July 03, 2024

DAILY CATTLE COMMENTARY

7/3/2024

Feeder strength supports fats

August live cattle turned higher yesterday on the back of very strong action in the feeders. There was light cash trade in Nebraska at \$195. The 5-area, 5-day weighted average for the week is 195.07, up from 194.89 at the end of last week. Packers will be buying for a full kill schedule next week and that may keep cash bids steady this week. The path of least resistance looks higher. The USDA estimated cattle slaughter came in at 118,000 head yesterday. This brings the total for the week so far to 233,000 head, down from 236,000 last week at this time but up from 79,682 a year ago. The USDA boxed beef cutout was up \$1.79 at mid-session yesterday and closed \$1.21 higher at \$330.39. This was up from \$323.39 the previous week.



TODAY'S MARKET IDEAS:

Look for retracement support at 182.05 and key resistance remains at last week's high of 187.42 on August. Expectations of steady to higher cash prices later this week and the bullish technical outlook points to higher prices.

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) 07/03/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is now at 183.900. The next area of resistance is around 185.650 and 186.120, while 1st support hits today at 184.550 and below there at 183.900.

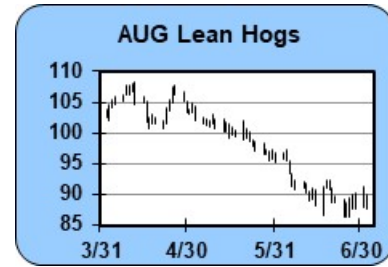
FEEDER CATTLE (AUG) 07/03/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is 256.163. The next area of resistance is around 263.175 and 264.462, while 1st support hits today at 259.025 and below there at 256.163.

DAILY HOGS COMMENTARY

7/3/2024

Choppy action so far this week

Despite the yo-yo trading action seen over the last week, prices appear to be trying to chop out a bottom but so far, have been unable to convincingly follow through after the last 2 key reversals higher. However, as long as the low of 86.22 on August futures holds, the odds favor a corrective bounce to the upside. Look for resistance at 91.20 on August. The CME Lean Hog Index as of June 28 was 89.17 down from 89.47 the previous session and from 89.90 the previous week. The USDA estimated hog slaughter came in at 471,000 head yesterday. This brings the total for the week so far to 948,000 head, up from 944,000 last week at this time and up from 398,665 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$93.39, down \$1.58 from Monday and down from \$94.34 the previous week.



China's national average spot pig price as of July 3 was up 0.11% from the previous day. For the week prices are up 2.72%, up 2.72% for the month and up 26.22% year to date and up 30.76% versus a year ago. Dalian live hog futures as of July 03 were unchanged from the previous day. For the week prices are up 0.9% and up 1.39% for the month and up 5.83% year to date

TODAY'S MARKET IDEAS:

Our thoughts remain the same that August futures appear to have turned the corner after the long bearish slide but have yet to fully breakout to the upside. 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) 07/03/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The upside daily closing price reversal gives the market a bullish tilt. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 91.750. The next area of resistance is around 91.000 and 91.750, while 1st support hits today at 88.570 and below there at 86.870.

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	185.070	61.67	61.75	83.55	80.35	185.31	184.77	182.36	179.19	177.67

FCQ24	261.100	57.05	55.38	66.42	65.35	259.61	259.59	258.82	257.50	256.38
LHQ24	89.770	48.62	43.77	32.95	40.66	88.89	88.49	89.53	95.22	97.54

Calculations based on previous session. Data collected 07/02/2024

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	183.870	184.520	185.000	185.650	186.120
FCQ24	Feeder Cattle	256.162	259.024	260.312	263.175	264.462
LHQ24	Lean Hogs	86.850	88.520	89.300	91.000	91.750

Calculations based on previous session. Data collected 07/02/2024

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