



## DAILY LIVESTOCK COMMENTARY Monday July 08, 2024

### DAILY CATTLE COMMENTARY 7/8/2024

#### Cash trade last week steady/higher

August futures closed higher Friday but well off the 8-month highs set earlier in the day. Cash trade held off until late in the day Friday and in the north was \$198-\$200 and the South steady with last week at \$190. The 5-area, 5-day weighted average for the week was 194.57, up from 194.89 the previous week. 90% lean cow beef, which accounts for 50% of US beef consumption, is at record highs, 127% above the same week last year, and ground beef demand remains very strong. The bull trend may be put to the test now that we are beyond the major summer beef holidays but so far demand still remains strong. August futures support is 182.05 and 184.75. The USDA estimated cattle slaughter came in at 116,000 head yesterday. This brings the total for the week so far to 475,000 head, down from 593,000 last week at this time but up from 459,091 a year ago.

The USDA boxed beef cutout was up \$1.02 at mid-session Friday and closed 59 cents higher at \$330.43. This was up from \$323.33 the previous week. The previous low was \$329.84 on July 3. The previous high was \$333.04 on June 26, 2023.

The estimated average dressed cattle weight last week was 846 pounds, down from 848 the previous week and up from 817 a year ago. The 5-year average weight for that week is 815 pounds. Estimated beef production last week was 436.4 million pounds, down from 437.5 million a year ago.

U.S. beef export sales for the week ending June 27 came in at 15,500 tonnes compared with the average of the previous four weeks of 14,500 tonnes. Cumulative sales for the 15.5 have reached 529,600 tonnes, up 1.1% versus last year's pace.

#### **TODAY'S MARKET IDEAS:**

Price action Friday weakened late in the day, although the market still closed higher on August futures. Cash trade ended steady/higher. A close above 187.42 would suggest a resumption of the uptrend. Look for retracement support at 184.75 and 182.05.

#### **NEW RECOMMENDATIONS:**

None.

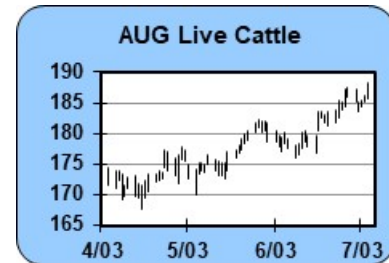
#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CATTLE COMPLEX TECHNICAL OUTLOOK:**

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LIVE CATTLE (AUG) 07/08/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is 184.100. The next area of resistance is around 187.700 and 189.270, while 1st support hits today at 185.150 and below there at 184.100.

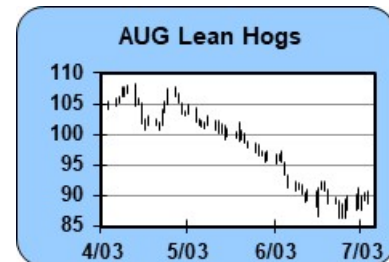
FEEDER CATTLE (AUG) 07/08/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 264.468. The next area of resistance is around 262.712 and 264.468, while 1st support hits today at 260.238 and below there at 259.519.

## DAILY HOGS COMMENTARY

7/8/2024

### Weak cash keeping upside in check

Hogs had a very choppy week last week as positive technicals clashed with weak cash prices. Weekly export sales were strong but prices were unable to hold the strength Friday. Choppy conditions may prevail again this week until the market can get a convincing breakout. Carcass weights are still above last year by 4 pounds. Cash hog index was lower for the 4th week in a row. The CME Lean Hog Index as of July 2 was 89.45 up from 89.31 the previous session but down from 89.92 the previous week. The USDA estimated hog slaughter came in at 456,000 head yesterday. This brings the total for the week so far to 1.885 million head, down from 2.358 million last week at this time but up from 1.798 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$94.24, up \$1.85 from Wednesday but down from \$94.36 the previous week. Estimated US pork production last week was 438.2 million pounds, down from 521.5 the previous week and up from 409.7 a year ago.



U.S. pork export sales for the week ending June 27 came in at 59,100 tonnes compared with the average of the previous four weeks of 30,200 tonnes. Cumulative sales for the 2024 marketing year have reached 1,095,300 tonnes, down 1.7% versus last year's pace.

China's national average spot pig price as of July 8 was up 1.36% from the previous day. For the week prices are up 1.36%, up 5.49% for the month and up 29.62% year to date and up 32.29% versus a year ago. Dalian live hog futures as of July 08 were up 1.0% from the previous day. For the week prices are up 1.0% and up 1.76% for the month and up 6.22% year to date.

### TODAY'S MARKET IDEAS:

August futures need a close over 90.00 to break out of the sideways action seen recently. Technicals are trying to turn higher but price action has been unable to carry through. If the market can move back above the 90.00 level, look for next resistance at 91.60. Support is 87.50.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/08/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The intermediate trend has turned down with the cross over back below the 18-day moving average. A negative signal was given by the outside day down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside objective is at 91.520. The next area of resistance is around 90.200 and 91.520, while 1st support hits today at 88.150 and below there at 87.350.

### 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	186.420	67.18	65.22	82.31	80.74	185.43	185.51	183.34	179.72	178.15
FCQ24	261.475	55.70	54.93	70.58	73.20	260.83	260.33	259.77	257.72	256.83
LHQ24	89.150	45.55	41.98	40.47	46.67	89.24	88.56	89.29	94.59	96.93

Calculations based on previous session. Data collected 07/05/2024

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	184.070	185.120	186.670	187.700	189.270
FCQ24	Feeder Cattle	259.518	260.237	261.993	262.712	264.468
LHQ24	Lean Hogs	87.320	88.120	89.420	90.200	91.520

Calculations based on previous session. Data collected 07/05/2024

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