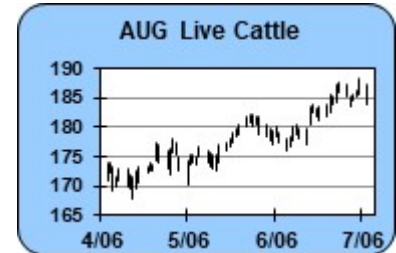




DAILY CATTLE COMMENTARY
 7/9/2024

Weak action Monday points to further pullback

Monday's action was disappointing for the bull camp after prices finished last week hitting an 8-month high, before pulling back Friday afternoon. Short-term technicals have now turned lower and suggest August live cattle may be ready to break down to fill the gap from mid-June at 180.35. Interim support may be seen at 182.10. CFTC data showed managed Money added 7500 longs for a total long as 63,423 as of last Tuesday, the largest long since mid-October of last year. USDA updated Friday's cash sales and the 5-area, 5-day weighted average for the end of last week is 195.65, up from 194.89 the previous week. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was unchanged from last week but down from 122,120 a year ago. The USDA boxed beef cutout was up \$1.53 at mid-session yesterday and closed 4 cents higher at \$330.47. This was up from \$326.32 the previous week and the highest since June 26, 2023. Showlist sizes this week are expected to be higher with Texas estimated at 87,865 head up 2607 from last week, Kansas up 6851 head to 89,676 and Nebraska/Colorado at 65,862 head up 416.



The Commitments of Traders report for the week ending July 2nd showed Cattle Managed Money traders were net long 63,423 contracts after increasing their already long position by 7,563 contracts. CIT traders added 2,423 contracts to their already long position and are now net long 84,735. Non-Commercial No CIT traders net bought 7,834 contracts and are now net long 42,596 contracts. Non-Commercial & Non-Reportable traders are net long 68,371 contracts after net buying 7,567 contracts.

TODAY'S MARKET IDEAS:

Yesterday's trading volume was the highest since April 2 and the weak close turned the short-term technical indicators down. Initial support is 182.10 on August with more important support at the open gap at 180.35. Open interest has been trending higher for several weeks on the rally and the weaker technical picture may result in some long liquidation ushering in a possible significant downside correction.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/25/2024 - 7/2/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Livestock						
Feeder Cattle	-1,167	+1,743	6,077	-1,669	-4,910	-74
Cattle	84,618	+8,042	-68,370	-7,567	-16,247	-475

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) 07/09/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 181.470. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 186.070 and 188.400, while 1st support hits today at 182.620 and below there at 181.470.

FEEDER CATTLE (AUG) 07/09/2024: The daily stochastics have crossed over down which is a bearish indication. 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 close below the 2nd swing support number puts the market on the defensive. The next downside target is 255.288. The next area of resistance is around 261.550 and 264.787, while 1st support hits today at 256.800 and below there at 255.288.

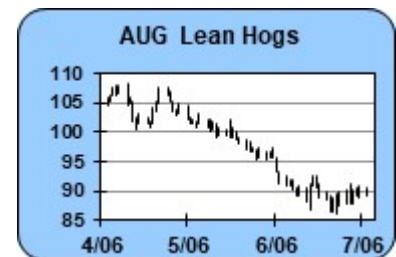
DAILY HOGS COMMENTARY

7/9/2024

Deferred months continue to trend lower

August hogs had another sideways day Monday while December was sharply lower and made a new contract low. Despite the holiday week last week, hog slaughter was still nearly 5% larger than a year ago. CFTC data showed Managed Money holding a net short of 8900 contracts. Cash hog prices yesterday were up \$1 nationally and steady to \$1.50 higher in the west. The deferred hog months are still trending lower while August chops sideways.

August needs a breakout over 91.17 to start an upside correction. The CME Lean Hog Index as of July 3 was 89.20 down from 89.45 the previous session and from 89.75 the previous week. The USDA estimated hog slaughter came in at 476,000 head yesterday. This was down from 477,000 last week but up from 463,350 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$95.22, up 98 cents from Friday but down from \$97.35 the previous week. The previous low was \$94.24 on July 5. The previous high was \$97.35 on June 28.



The July 2nd Commitments of Traders report showed Hogs Managed Money traders net bought 253 contracts and are now net short 8,844 contracts. CIT traders reduced their net long position by 577 contracts to a net long 84,731 contracts. Non-Commercial No CIT traders net sold 480 contracts and are now net short 33,059 contracts. Non-Commercial & Non-Reportable traders net sold 2,929 contracts which moved them from a net long to a net short position of 248 contracts.

China's national average spot pig price as of July 9 was up 1.66% from the previous day. For the week prices are up 3.05%, up 7.24% for the month and up 31.78% year to date and up 34.49% versus a year ago. Dalian live hog futures as of July 09 were down 0.5% from the previous day. For the week prices are up 0.5% and up 1.70% for the month and up 6.16% year to date.

TODAY'S MARKET IDEAS:

More sideways action in August futures and key resistance is 91.17. Yesterday's trading volume was a 2 1/2 week high but technicals are neutral as the market chops sideways since the reversal higher June 26. Key support is 87.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 6/25/2024 - 7/2/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	1,686	-2,335	248	+2,929	-1,934	-594

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/09/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 91.000. The next area of resistance is around 90.170 and 91.000, while 1st support hits today at 88.900 and below there at 88.420.

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	184.320	52.82	56.22	78.54	71.00	185.45	185.46	183.58	180.01	178.38
FCQ24	259.175	47.95	49.88	68.04	62.97	261.28	260.36	259.80	257.88	257.02
LHQ24	89.520	47.71	43.45	43.25	48.82	89.58	88.87	89.25	94.31	96.67

Calculations based on previous session. Data collected 07/08/2024

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	181.450	182.600	184.920	186.070	188.400
FCQ24	Feeder Cattle	255.287	256.800	260.037	261.550	264.787
LHQ24	Lean Hogs	88.400	88.870	89.700	90.170	91.000

Calculations based on previous session. Data collected 07/08/2024

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