



DAILY LIVESTOCK COMMENTARY

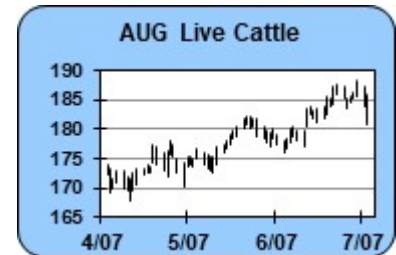
Wednesday July 10, 2024

DAILY CATTLE COMMENTARY

7/10/2024

Cash trade starts the week lower

It is possible yesterday's hard break in the cattle market was partly from a risk-off attitude across commodities markets in general, but also from lower cash live cattle trade in the north yesterday at \$190-195 with a weighted average of \$190.48 and \$3-\$5 lower than trade in the north late last week. The 5-area, 5-day weighted average for the week is 196.12, compared to 195.65 at the end of last week. Boxed beef values were also very weak yesterday. August futures hit trendline support from the early May and mid-June lows making yesterday's low at 180.82 an important technical level. Gap support remains at 179.67-180.35. Recently, hard breaks like we have seen this week have been a buying opportunity. That could change if prices fall below gap support at 179.67. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 232,000 head, down from 233,000 last week at this time and down from 250,486 a year ago. The USDA boxed beef cutout was down \$4.87 at mid-session yesterday and closed \$4.81 lower at \$325.66. This was down from \$329.18 the previous week. The previous low was \$323.33 on June 27. The previous high was \$330.47 on July 8.



TODAY'S MARKET IDEAS:

Tuesday's trading volume was very strong for the 2nd day in a row and the break tested trendline support on August futures. Important support sits at the open gap at 180.35, however, if prices fall below the bottom of the gap at 179.67 on August, the recent uptrend would be in jeopardy of ending. Tuesday's low of 180.82 appears to be an important pivot point.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/10/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 177.900. The next area of resistance is around 184.800 and 187.720, while 1st support hits today at 179.900 and below there at 177.900.

FEEDER CATTLE (AUG) 07/10/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 250.713. The next area of resistance is around 258.750 and 262.812, while 1st support hits today at

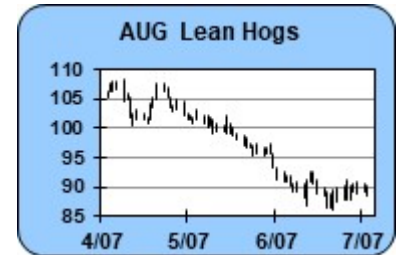
252.700 and below there at 250.713.

DAILY HOGS COMMENTARY

7/10/2024

Winter hog months collapse again

Winter hog months continue to collapse with another new contract low for December futures yesterday, while the August contract remains in its recent sideways range. Lower grain prices will reduce feed costs and that is also adding to the selling in the back months. December contract is nearly \$25 below the cash hog Index. Longer-term bearish fundamentals remain in place. August prices may be headed to support at 87.50 before finding any significant technical buying. The CME Lean Hog Index as of July 5 was 88.76 down from 89.20 the previous session and from 89.47 the previous week. The USDA estimated hog slaughter came in at 476,000 head yesterday. This brings the total for the week so far to 938,000 head, down from 948,000 last week at this time but up from 932,081 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$93.46, down \$1.76 from Monday and down from \$94.97 the previous week. The previous low was \$92.39 on July 3. The previous high was \$95.22 on July 8.



China's national average spot pig price as of July 10 was down 0.79% from the previous day. For the week prices are up 2.23%, up 6.40% for the month and up 30.74% year to date and up 33.62% versus a year ago. Dalian live hog futures as of July 10 were down 0.9% from the previous day. For the week prices are down 0.4% and down 0.65% for the month and up 3.70% year to date

TODAY'S MARKET IDEAS:

While August futures have stayed in a trading range for the last couple weeks, deferred months continue to move sharply lower and yesterday's general commodity selloff did not help. The extreme weakness in the winter months will hit producer profitability and could lead to some herd liquidation, which would further pressure the market. Look for support on August at 87.50 and resistance at 91.17. For the December contract, which hit its lowest level since November 2020 yesterday, next important long-term support is 60.55.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/10/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market is in a bearish position with the close below the 2nd swing support number. The next upside objective is 90.720. The next area of resistance is around 89.320 and 90.720, while 1st support hits today at 87.470 and below there at 87.000.

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	182.320	42.88	49.18	71.01	55.95	184.76	185.23	183.77	180.20	178.56
FCQ24	255.725	38.82	43.42	60.28	44.76	259.94	259.99	259.69	257.89	257.13
LHQ24	88.400	41.73	39.94	43.60	44.29	89.23	89.05	89.21	94.00	96.39

Calculations based on previous session. Data collected 07/09/2024

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	177.870	179.870	182.800	184.800	187.720
FCQ24	Feeder Cattle	250.712	252.700	256.762	258.750	262.812
LHQ24	Lean Hogs	86.970	87.450	88.850	89.320	90.720

Calculations based on previous session. Data collected 07/09/2024

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