



DAILY LIVESTOCK COMMENTARY

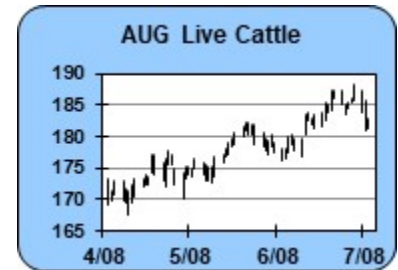
Thursday July 11, 2024

DAILY CATTLE COMMENTARY

7/11/2024

Ground beef demand remains strong

August cattle closed near unchanged yesterday and part of this week's break may have come from a story out of the UK saying viral bird flu samples taken from cows were able to attach to receptors found on cells in the human respiratory tract. Importantly, the version of the virus found in birds is unable to do that, which suggests the bovine virus has mutated. While the CDC still says the risk to humans is low, headline traders may have been one reason for the break. 90% lean cow beef hit another new high for the year. Cash trade yesterday was seen in all regions except for Colorado. The 5-area, 5-day weighted average is now 193.93 for the week, down from 195.65 at the end of last week. August futures key support is 180.82, which was Tuesday's low and trendline support as well. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 354,000 head, up from 353,000 last week at this time but down from 377,875 a year ago. The USDA boxed beef cutout was down 41 cents at mid-session yesterday and closed \$1.61 lower at \$324.05. This was down from \$330.39 the previous week. The previous low was \$323.33 on June 27. The previous high was \$325.66 on July 9.



TODAY'S MARKET IDEAS:

Trading volume yesterday was once again strong, but prices stayed inside the large range of Tuesday. Key August support remains at Tuesday's low and at the open gap at 179.67-180.35. If August prices close below the gap, the recent uptrend will likely have run its course for the near-term and a larger break could be seen.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 180.770. The next area of resistance is around 182.920 and 183.550, while 1st support hits today at 181.550 and below there at 180.770.

FEEDER CATTLE (AUG) 07/11/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 251.800. The next area of resistance is around 255.750 and 257.399, while 1st support hits

today at 252.950 and below there at 251.800.

DAILY HOGS COMMENTARY

7/11/2024

Huge trading volume yesterday hints at capitulation

August hogs had a very bearish gap lower yesterday and accelerated to new contract lows, widening the futures discount to the cash index. December futures trading volume was huge and the highest since the contract came on the board a year ago as prices slipped to a new contract low for the 5th day in a row. Technical indicators are extremely oversold, suggesting a bounce is imminent and with yesterday's large volume and a decline in open interest, a bounce is likely to occur before the end of the week. December support is 60.55 and August support 82.90.

The average hog weight for Iowa-Southern Minnesota as of July 6 was 285.3 pounds, up from 284.4 pounds the previous week and up from 277.8 a year ago. The 5-year average is 279.3 pounds. The CME Lean Hog Index as of July 8 was 88.43 down from 88.76 the previous session and from 89.17 the previous week. The USDA estimated hog slaughter came in at 477,000 head yesterday. This brings the total for the week so far to 1.415 million head, down from 1.419 million last week at this time but up from 1.386 million a year ago.

China's national average spot pig price as of July 11 was down 1.33% from the previous day. For the week prices are up 0.87%, up 4.98% for the month and up 29.00% year to date and up 32.50% versus a year ago. Dalian live hog futures as of July 11 were down 0.3% from the previous day. For the week prices are down 0.7% and up 1.25% for the month and up 5.69% year to date.

TODAY'S MARKET IDEAS:

August futures melted quickly through support yesterday morning and dove into new contract lows as did the December contract. Trading volume was very large and perhaps indicates longs have finally capitulated. Look for support on August at 82.90. For the December contract, which hit its lowest level since November 2020 yesterday, next important long-term support is 60.55. A tradable low should be close at hand.

NEW RECOMMENDATIONS:

None.

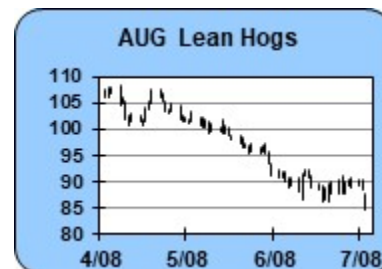
PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/11/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 82.250. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 86.270 and 88.670, while 1st support hits today at 83.070 and below there at 82.250.



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	182.250	42.43	48.85	62.20	44.58	183.84	184.73	183.99	180.37	178.78
FCQ24	254.350	35.77	41.14	50.61	31.28	257.68	259.17	259.51	257.89	257.28
LHQ24	84.650	28.45	31.01	38.82	29.27	87.94	88.57	88.92	93.63	96.10

Calculations based on previous session. Data collected 07/10/2024

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	180.750	181.520	182.150	182.920	183.550
FCQ24	Feeder Cattle	251.800	252.950	254.600	255.750	257.399
LHQ24	Lean Hogs	82.220	83.050	85.450	86.270	88.670

Calculations based on previous session. Data collected 07/10/2024

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