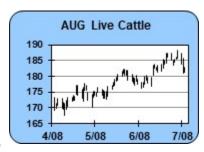


DAILY LIVESTOCK COMMENTARY Friday July 12, 2024

DAILY CATTLE COMMENTARY 7/12/2024

China meat imports for 1st half of 2024 down 13.4% year over year

August live cattle ended unchanged yesterday in an uneventful session and boxed beef values were weak. August futures support at this week's low of 180.82 remains a key technical pivot point. Cash cattle trade yesterday in the north was \$195-198.50 and some light trade in Kansas was seen between \$188-191. The 5-area, 5-day weighted average for the week now stands at 194.98, compared to 195.65 at the end of last week. South Korea and China were the biggest buyers of US beef last week. China's June meat imports for the



1st 6 months of the year were 3.3 million tonnes, down 13.4% year to date. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 476,000 head, up from 359,000 last week at this time but down from 504,418 a year ago. The USDA boxed beef cutout was down 38 cents at mid-session yesterday and closed \$2.40 lower at \$321.65. This was down from \$329.84 the previous week.

TODAY'S MARKET IDEAS:

Price action was uneventful yesterday in the live cattle and August remains inside Tuesday's trading range. 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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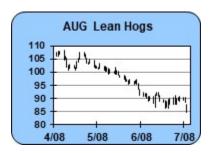
LIVE CATTLE (AUG) 07/12/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is 181.170. The next area of resistance is around 182.850 and 183.600, while 1st support hits today at 181.650 and below there at 181.170.

FEEDER CATTLE (AUG) 07/12/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 254.182. The next area of resistance is around 257.062 and 257.831, while 1st support hits today at 255.238 and below there at 254.182.

DAILY HOGS COMMENTARY 7/12/2024

Key reversal higher in August on heavy trading volume

After setting a new contract low yesterday morning, August hogs reversed higher in dramatic fashion and closed strong on very large trading volume. The significant increase in daily trading volume over the last 2 days is important and raises the likelihood the market is making a low. Key resistance for August now stands at Wednesday's gap at 87.87 - 88.30. Unfortunately for the bull camp, December hog prices closed only marginally higher yesterday and did not have the dramatic reversal seen in the August contract. More technical confirmation



will be needed in December to call for a low. The CME Lean Hog Index as of July 9 was 88.67 up from 88.43 the previous session but down from 89.31 the previous week. The USDA estimated hog slaughter came in at 475,000 head yesterday. This brings the total for the week so far to 1.890 million head, up from 1.429 million last week at this time and up from 1.855 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$95.87, up \$2.60 from Wednesday and up from \$92.39 the previous week. The previous low was \$93.27 on July 10. The previous high was \$97.35 on June 28.

China's national average spot pig price as of July 12 was up 1.62% from the previous day. For the week prices are up 2.50%, up 6.68% for the month and up 31.08% year to date and up 34.93% versus a year ago. Dalian live hog futures as of July 12 were up 0.5% from the previous day. For the week prices are unchanged and up 1.19% for the month and up 5.63% year to date.

TODAY'S MARKET IDEAS:

After an extended downtrend, seasoned traders look for a major upside reversal on high volume to mark a change in trend, exactly what happened yesterday in August hogs. A higher close today would likely confirm an important low. Wednesday's gap resistance at 88.30 will be the next key upside hurdle for the market. December hogs had only a minor upside reversal and more evidence is needed to call for a low in that contract month.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/12/2024: 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. The upside daily closing price reversal gives the market a bullish tilt. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 82.220. The next area of resistance is around 88.620 and 90.100, while 1st support hits today at 84.700 and below there at 82.220.

DAILY TECHNICAL STATISTICS

			I4 DA I	14 DA 1					
	9 DAY	14 DAY	SLOW	SLOW	4 DAY	9 DAY	18 DAY	45 DAY	60 DAY
CLOSE	RSI	RSI	STOCH D	STOCH K	M AVG	M AVG	M AVG	M AVG	M AVG
MEAT COMPLEY									

14 DAY

LCQ24	182.250	42.43	48.85	53.65	36.54	182.80	184.26	184.14	180.54	178.97
FCQ24	256.149	42.43	45.20	43.52	29.33	256.35	258.67	259.44	257.96	257.39
LHQ24	86.650	39.99	38.91	36.97	33.25	87.32	88.41	88.81	93.30	95.85

Calculations based on previous session. Data collected 07/11/2024 Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract Su		Support 2	Support 1	Pivot	Resist 1	Resist 2			
MEAT COMPLEX									
LCQ24	Live Cattle	181.150	181.620	182.370	182.850	183.600			
FCQ24	Feeder Cattle	254.181	255.237	256.006	257.062	257.831			
LHQ24	Lean Hogs	82.200	84.670	86.150	88.620	90.100			

Calculations based on previous session. Data collected 07/11/2024 Data sources can & do produce bad ticks. Verify before use.

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