



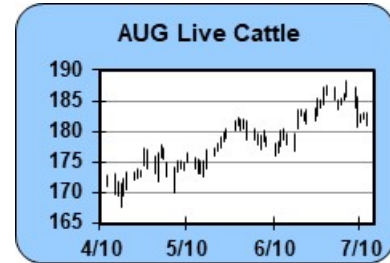
**DAILY LIVESTOCK COMMENTARY**  
Monday July 15, 2024

**DAILY CATTLE COMMENTARY**  
7/15/2024

**Cash trade slips lower last week**

The 2nd half of last week August live cattle prices closed near unchanged each day as prices took a breather after the sharp drop early last week. Key trendline support remains at last week's low of 180.82 and gap support is below that at 179.67 - 180.35. If August prices close below the gap, a more significant break would be likely.

The estimated average dressed cattle weight last week was 844 pounds, down from 846 the previous week and up from 814 a year ago. The 5-year average weight for that week is 817 pounds. Although steer carcass weights declined 2 pounds from the previous week, the carcass weight average is still 25 pounds above the same week last year. Cash trade Friday was mostly in line with what was seen earlier in the week and the majority of trade was 2-\$3 lower in the South and 1-\$2 lower in the north. The 5-area, 5-day weighted average for the week was 194.22, down from 195.65 at the end of the previous week. Estimated beef production last week was 506.0 million pounds, down from 514.6 million a year ago. The USDA boxed beef cutout was up 51 cents at mid-session Friday and closed 41 cents higher at \$322.06. This was down from \$330.43 the previous week. The USDA estimated cattle slaughter came in at 118,000 head yesterday. This brings the total for the week so far to 594,000 head, up from 475,000 last week at this time but down from 625,281 a year ago.



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The Commitments of Traders report for the week ending July 9th showed Cattle Managed Money traders are net long 61,906 contracts after net selling 1,517 contracts. CIT traders were net long 85,672 contracts after increasing their already long position by 937 contracts. Non-Commercial No CIT traders are net long 42,436 contracts after net selling 160 contracts. Non-Commercial & Non-Reportable traders net sold 3,287 contracts and are now net long 65,084 contracts.

**TODAY'S MARKET IDEAS:**

Daily trading volume remains elevated even though August prices were sideways to end last week. Technically, a close below 180.82 on August futures would be a negative development, although there are several layers of support just under that and it may take a close under the gap at 179.67 to end the 3-month bull run. Retracement resistance is 183.60 and 184.50.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 7/2/2024 - 7/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Feeder Cattle	-3,010	-1,843	7,402	+1,325	-4,392	+518
Cattle	83,852	-766	-65,084	+3,286	-18,768	-2,521

## 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) 07/15/2024:** The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 180.220. The next area of resistance is around 183.370 and 184.200, while 1st support hits today at 181.400 and below there at 180.220.

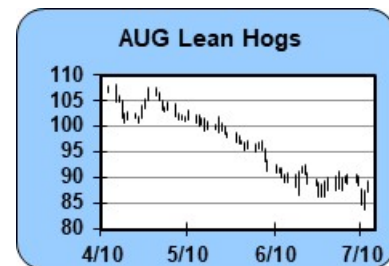
**FEEDER CATTLE (AUG) 07/15/2024:** The major trend could be turning up with the close back above the 60-day moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next downside target is now at 253.625. The next area of resistance is around 260.774 and 262.125, while 1st support hits today at 256.525 and below there at 253.625.

## DAILY HOGS COMMENTARY

7/15/2024

### August confirms key upside reversal

August hogs stronger close Friday confirmed Thursday's key reversal higher and suggest prices could strengthen further. Important resistance stands at 91.17 and if prices can exceed that level, a run to moving average resistance at 93.55 could be seen. USDA Friday showed 3rd and 4th quarter pork production to be the second-largest on record at 6.835 million pounds and 7.490 million, respectively. The cash hog Index was near steady on Friday. December hog prices remained near unchanged late last week with nothing in the technical picture to suggest a low yet in that contract month. Estimated US pork production last week was 508.2 million pounds, up from 435.8 the previous week and up from 489.5 a year ago. The CME Lean Hog Index as of July 10 was 88.65 down from 88.67 the previous session and from 89.45 the previous week. The USDA estimated hog slaughter came in at 470,000 head yesterday. This brings the total for the week so far to 2.360 million head, up from 1.874 million last week at this time and up from 2.311 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$98.12, up \$2.25 from Thursday and up from \$94.24 the previous week. The previous low was \$95.87 on July 11. The previous high was \$98.54 on June 21.



Hogs positioning in the Commitments of Traders for the week ending July 9th showed Managed Money traders added 2,568 contracts to their already short position and are now net short 11,412. CIT traders reduced their net long position by 3,363 contracts to a net long 81,368 contracts. Non-Commercial No CIT traders net sold 183 contracts and are now net short 33,242 contracts. Non-Commercial & Non-Reportable traders are net short 1,550 contracts after net selling 1,302 contracts.

China's national average spot pig price as of July 15 was up 1.11% from the previous day. For the week prices are up 1.11%, up 7.87% for the month and up 32.55% year to date and up 36.83% versus a year ago. Dalian live hog futures as of July 15 were up 2.3% from the previous day. For the week prices are up 2.3% and up 3.32% for the month and up 7.85% year to date.

### TODAY'S MARKET IDEAS:

Last week's significant technical upside reversal on August was confirmed with a higher close Friday and prices

look to have made at least an interim low. Look for resistance at 91.17 and support on any pullback below 86.50. Unfortunately, for the bull camp, the December contract does not have any indication of a technical low yet and prices remain in the recent downtrend.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 7/2/2024 - 7/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Hogs	635	-1,051	1,550	+1,302	-2,185	-251

**PORK COMPLEX TECHNICAL OUTLOOK:**

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LEAN HOGS (AUG) 07/15/2024: The crossover up in the daily stochastics is a bullish signal. Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 90.470. The next area of resistance is around 89.500 and 90.470, while 1st support hits today at 87.400 and below there at 86.250.

**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
<b>MEAT COMPLEX</b>										
LCQ24	182.370	43.37	49.35	46.26	31.49	182.31	183.92	184.10	180.69	179.12
FCQ24	258.649	50.47	50.33	41.17	36.48	256.22	258.60	259.25	258.05	257.49
LHQ24	88.450	48.31	44.94	39.35	44.13	87.05	88.30	88.70	93.01	95.63

Calculations based on previous session. Data collected 07/12/2024

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	180.200	181.370	182.200	183.370	184.200
FCQ24	Feeder Cattle	253.624	256.524	257.875	260.774	262.125
LHQ24	Lean Hogs	86.220	87.370	88.350	89.500	90.470

Calculations based on previous session. Data collected 07/12/2024

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