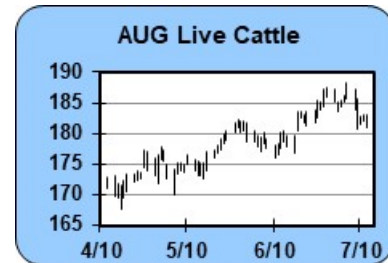




**DAILY CATTLE COMMENTARY**  
7/16/2024

**Cash trade this week expected steady/weaker**

August live cattle Monday closed once again the nearly the same price as the last 4 trading days as the market bides its time waiting for some new market moving news. August futures yesterday were roughly \$12 under last week's cash prices and seem to be pricing in a seasonal break. Cash trade was not established in any of the major feeding areas yesterday and the 5-area, 5-day weighted average remains at 194.26, unchanged from the end of last week. Cash trade this week is expected steady/weaker. An August futures close below 180.82 would significantly weaken the technical outlook. Look for retracement resistance 183.65. The USDA estimated cattle slaughter came in at 118,000 head yesterday. This was up from 112,000 last week but down from 119,532 a year ago. The USDA boxed beef cutout was down 65 cents at mid-session yesterday and closed 57 cents lower at \$321.49. This was down from \$330.47 the previous week.



**TODAY'S MARKET IDEAS:**

August futures have remained sideways for several trading sessions in a row and the longer the sideways action, the more likely the market breaks to the downside, in our opinion. Technically, a close below 180.82 on August futures would be a negative development. This week's cash trade is likely to be steady to slightly lower. Retracement resistance is 183.60 and 184.50.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

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**LIVE CATTLE (AUG) 07/16/2024:** 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 could take on a defensive posture with the daily closing price reversal down. The market tilt is slightly negative with the close under the pivot. The next downside target is 180.850. The next area of resistance is around 182.870 and 183.870, while 1st support hits today at 181.370 and below there at 180.850.

**FEEDER CATTLE (AUG) 07/16/2024:** The daily stochastics gave a bullish indicator with a crossover up. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 261.237. The next area of resistance is around 259.925 and 261.237, while 1st support hits today at 257.625 and below there at 256.638.

## DAILY HOGS COMMENTARY

7/16/2024

### Technical outlook for August points higher

August hogs closed unchanged yesterday but remain under the influence of the strong, high volume key technical reversal higher late last week, which points to further gains. Nearby resistance is 90.05 and then 91.17. Reports of African Swine Fever spreading in Asia may be supportive to futures prices. December hogs also closed unchanged but did make a new contract low yesterday and volume significantly decreased from what was seen late last week. CFTC data showed managed Money increased their net short position to 11,412 contracts as of Tuesday of last week, that's up from 8324 the previous week.

March - May China second-quarter pork output was down 3% to 13.98 million tonnes, while slaughter was also down 3.1%. Jan - June production was down 1.7% from a year ago and the pig herd dropped 4.6% year-over-year. The USDA estimated hog slaughter came in at 478,000 head yesterday. This was up from 462,000 last week and up from 449,675 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.60, down 52 cents from Friday but up from \$95.22 the previous week. The CME Lean Hog Index as of July 11 was 88.38, down from 88.65 the previous session and down from 88.76 the previous week.

China's national average spot pig price as of July 16 was up 1.31% from the previous day. For the week prices are up 2.44%, up 9.28% for the month and up 34.28% year to date and up 38.62% versus a year ago. Dalian live hog futures as of July 16 were up 0.2% from the previous day. For the week prices are up 2.5% and up 3.40% for the month and up 7.94% year to date.

#### TODAY'S MARKET IDEAS:

Further technical gains for the August contract look likely after the significant reversal higher late last week. Look for important resistance at 91.17 and support on any pullback below 86.50. The December contract will need more time to make a technical base, but prices may have fallen low enough to finally see a corrective rebound.

#### NEW RECOMMENDATIONS:

None.

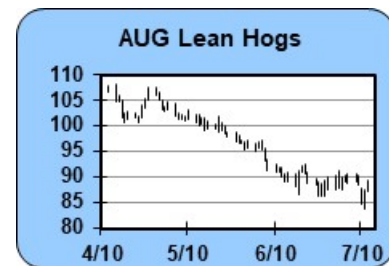
#### PREVIOUS RECOMMENDATIONS:

None.

#### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/16/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 90.400. The next area of resistance is around 89.270 and 90.400, while 1st support hits today at 87.570 and below there at 86.970.



## 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	182.120	41.84	48.34	39.82	26.94	182.25	183.68	184.06	180.87	179.28
FCQ24	258.774	50.85	50.58	41.27	41.46	256.98	258.75	259.11	258.19	257.60
LHQ24	88.400	48.20	44.87	43.18	50.83	87.06	88.33	88.51	92.71	95.40

Calculations based on previous session. Data collected 07/15/2024

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	180.820	181.350	182.350	182.870	183.870
FCQ24	Feeder Cattle	256.637	257.625	258.937	259.925	261.237
LHQ24	Lean Hogs	86.950	87.550	88.670	89.270	90.400

Calculations based on previous session. Data collected 07/15/2024

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