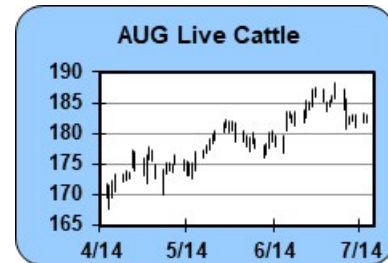




DAILY CATTLE COMMENTARY
7/17/2024

Weaker expected cash trade may limit rallies this week

August cattle closed stronger yesterday but still within the 5-day sideways range. August prices will need to move above 183.37 to extend the rally. If cash prices do trade weaker later this week as expected, selling may become more aggressive. USDA revised Monday's cash cattle trade showing 399 head in Iowa/Minnesota at a weighted average of 196.24, very similar to last week. No cash live trade was reported yesterday. The 5-area, 5-day weighted average is 195.78, up from 194.26 to close out last week. The Cattle on Feed report this Friday afternoon is expected to show on feed 101% of last year, placements 96.4% and marketings 91.5%. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 239,000 head, up from 232,000 last week at this time but down from 246,774 a year ago. The USDA boxed beef cutout was down \$1.00 at mid-session yesterday and closed \$2.23 lower at \$319.26. This was down from \$325.66 the previous week. The CME feeder cattle index for July 15 was 261.37, down \$0.51 from the previous session.



Estimates for the upcoming Cattle On Feed report have On Feed at 101.0% (range of 100.1% to 101.7%) versus last year at 98.1%. Placement average estimate is 96.4% (range of 89.9% to 100.7%) versus last year at 102.6%. The average estimate for Marketings is 91.5% with a range of 90.0% to 94.5%. Last year at this time was 94.9%.

TODAY'S MARKET IDEAS:

Cash trade ideas this week are lower due to weak beef market prices. However, the market has been in a sideways trend for a week and managed money longs are unlikely to exit positions until prices fall below last week's low of 180.82 on August. If that happens, a more significant break is likely. On the upside, 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) 07/17/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 181.220. The next area of resistance is around 183.300 and 183.750, while 1st support hits today at 182.050 and below there at 181.220.

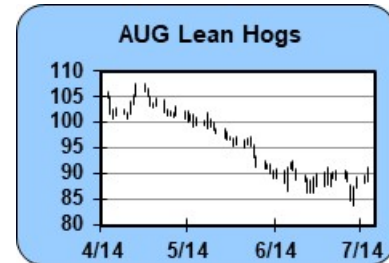
FEEDER CATTLE (AUG) 07/17/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 260.606. The next area of resistance is around 259.612 and 260.606, while 1st support hits today at 257.638 and below there at 256.657.

DAILY HOGS COMMENTARY

7/17/2024

Managed money short covering may drive further gains

Monday, August hogs had their best close since June 18, extending the technical rally that began with last week's upside reversal. August made a new high for the month and while it's still only midmonth, if price strength continues through the end of July, a monthly upside reversal is possible, which would suggest a major low is in place. December hog prices finally rallied after the extreme break seen recently and short-term technical indicators gave a buy signal yesterday. Initial retracement resistance stands at 65.10 and 66.15. The USDA estimated hog slaughter came in at 477,000 head yesterday. This brings the total for the week so far to 955,000 head, up from 938,000 last week at this time and up from 912,563 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.30, up \$1.70 from Monday and up from \$93.46 the previous week. The CME Lean Hog Index as of July 12 was 88.42 up from 88.38 the previous session and down from 88.43 the previous week.



China's national average spot pig price as of July 17 was down 0.31% from the previous day. For the week prices are up 2.12%, up 8.94% for the month and up 33.87% year to date and up 37.70% versus a year ago. Dalian live hog futures as of July 17 were down 0.1% from the previous day. For the week prices are up 2.4% and up 3.49% for the month and up 8.02% year to date

TODAY'S MARKET IDEAS:

Managed Money is holding their largest net short in 7 months and with this week's turn higher, funds may be more likely to exit shorts and push prices higher. August hogs look to have made a technical low late last week and may run to moving average resistance at 93.15. Furthermore, on December hogs, stochastics turned higher and gave a buy signal after yesterday's strong rally.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/17/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 93.500. The next area of resistance is around 92.700 and 93.500, while 1st support hits today at 89.850 and below there at 87.770.

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	182.670	46.52	50.71	35.31	26.27	182.36	183.41	184.09	181.07	179.43
FCQ24	258.625	50.32	50.26	42.25	44.21	258.05	258.48	259.04	258.36	257.67
LHQ24	91.270	59.57	53.41	51.23	67.34	88.71	88.49	88.49	92.51	95.23

Calculations based on previous session. Data collected 07/16/2024

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	181.200	182.020	182.470	183.300	183.750
FCQ24	Feeder Cattle	256.656	257.637	258.631	259.612	260.606
LHQ24	Lean Hogs	87.750	89.820	90.620	92.700	93.500

Calculations based on previous session. Data collected 07/16/2024

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