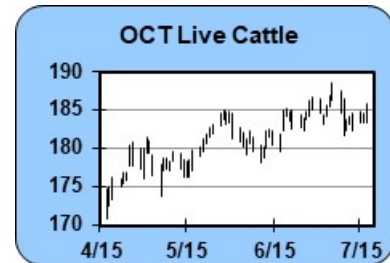




DAILY CATTLE COMMENTARY
7/19/2024

August futures testing trendline support

August live cattle weakened significantly yesterday after rallying Wednesday to the 50% retracement level to the July 5 highs. August futures key trendline support today comes in right at yesterday's low of 181.87. A move below that level today would be a bearish technical development. Cash trade in the north was \$193 - 197 and in the South \$186 - 188, slightly down from last week. The 5-area, 5-day weighted average for the week is now 191.63, down from 194.26 at the end of last week. This afternoon's Cattle on Feed report is expected to show on feed at 101% of last year, placements 96.4% and marketings 91.5%.



The report will include a quarterly breakdown of steers and heifers on feed, which could give traders an indication whether heifers are being retained. USDA steer carcass weights were up 5 pounds from last week at 916 pounds, 24 pounds above year ago levels, which is adding to beef production. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This brings the total for the week so far to 475,000 head, down from 476,000 last week at this time and down from 493,345 a year ago. The USDA boxed beef cutout was down \$1.20 at mid-session yesterday and closed \$2.01 lower at \$316.15. This was down from \$321.65 the previous week.

U.S. beef export sales for the week ending July 11 came in at 15,400 tonnes compared with the average of the previous four weeks of 13,800 tonnes. Cumulative sales for the 15.4 have reached 553,300 tonnes, up 0.8% versus last year's pace. Top buyers were China and Mexico.

TODAY'S MARKET IDEAS:

Cash cattle prices dropped back slightly yesterday, and August futures turned back lower and closed just above trendline support at 181.87. Stochastics, which had given a buy signal Wednesday, crossed back down yesterday, indicating the possibility of further weakness. Gap support from mid-June remains at 179.67-180.35 on August.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/19/2024: Momentum studies are declining, but have fallen to oversold levels. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 1st swing support could weigh on the market. The next downside objective is now at 180.100. The next area of resistance is around 183.550 and 185.320, while 1st support hits today at 180.950 and below there at 180.100.

FEEDER CATTLE (AUG) 07/19/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. A negative signal was given by the outside day down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 252.844. The next area of resistance is around 258.262 and 260.993, while 1st support hits today at 254.188 and below there at 252.844.

DAILY HOGS COMMENTARY

7/19/2024

December Hogs technicals point to more upside

August hogs closed slightly lower yesterday in relatively quiet trade and the recent 5-day rally may have run its course for now. Pullback retracement support is 89.20. December hogs also closed slightly lower but have not yet reached any major resistance. Look for 1st retracement resistance at 67.25 and 50% retracement resistance of the break since mid-June is 68.60. Yesterday's weekly exports were down slightly from the previous week but still pretty solid. Managed Money is likely liquidating short positions this week as open interest has decreased.

China's Commerce Ministry says they continue their anti-dumping investigation into EU pork imports, which keeps hope alive the US may see some additional Chinese purchases. The CME Lean Hog Index as of July 16 was 88.80 up from 88.62 the previous session and from 88.67 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 1.909 million head, up from 1.890 million last week at this time and up from 1.860 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.16, up \$1.05 from Wednesday and up from \$95.87 the previous week.

China's national average spot pig price as of July 19 was down 0.1% from the previous day. For the week prices are up 1.1%, up 7.8% for the month and up 32.5% year to date and up 35.0% versus a year ago. Dalian live hog futures as of July 19 were up 0.2% from the previous day. For the week prices are unchanged and up 4.37% for the month and up 8.94% year to date.

U.S. pork export sales for the week ending July 11 came in at 23,700 tonnes compared with the average of the previous four weeks of 36,700 tonnes. Cumulative sales for the 2024 marketing year have reached 1,145,500 tonnes, down 1.6% versus last year's pace.

TODAY'S MARKET IDEAS:

Despite December hogs closing slightly lower yesterday, technical indicators still point to further gains and next nearby resistance is 66.70 and retracement resistance is 67.25. More Managed Money short covering is expected. August hogs have had a very strong last 5 days and may be ready for a pullback due to its extended premium above the cash index.

NEW RECOMMENDATIONS:

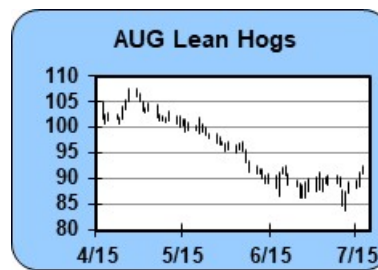
None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/19/2024: Momentum studies are trending higher but have entered overbought levels. 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 lower than the pivot swing number. The near-term upside objective is at 92.600. The next area of resistance is around 92.000 and 92.600, while 1st support hits today at 90.750 and below there at 90.070.

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	44.47	48.59	32.47	28.39	182.83	182.77	184.14	181.49	179.71
FCQ24	256.225	41.59	44.90	42.04	39.30	258.04	257.36	258.85	258.64	257.72
LHQ24	91.370	59.30	53.51	66.14	79.62	90.68	88.94	88.75	92.13	94.80

Calculations based on previous session. Data collected 07/18/2024

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	180.070	180.920	182.700	183.550	185.320
FCQ24	Feeder Cattle	252.843	254.187	256.918	258.262	260.993
LHQ24	Lean Hogs	90.050	90.720	91.320	92.000	92.600

Calculations based on previous session. Data collected 07/18/2024

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