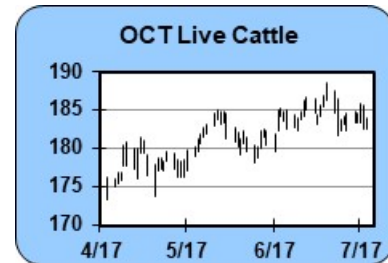




DAILY CATTLE COMMENTARY
7/22/2024

Cattle on Feed Placements lower than expected

Friday's cattle on feed report showed on feed neutral at 101% of last year, compared to the average estimate of 101%. Marketings came in at 91% of last year, which was also right on the pre-report guesses and was lower than usual because there were 2 less weekdays in June this year compared to last year. The placement number was the surprise and came in at 93%, compared to the average guess of 97%, and the lowest since 2016. Overall, the report is considered a bit negative for the front month of the live cattle, while October and December contracts are likely to see some gains to start the week. Look for resistance on August futures at 184.60 and trendline support stands at 181.80. Cash cattle to finish last week was generally down \$2 in the north and steady at \$188 in the South. The 5 - area, 5 - day weighted average to finish the week was 192.63, down from 194.26 the previous week. The estimated average dressed cattle weight last week was 844 pounds, unchanged from 844 the previous week and up from 813 a year ago. The 5-year average weight for that week is 816 pounds. Estimated beef production last week was 491.7 million pounds, down from 508 million a year ago. The USDA estimated cattle slaughter came in at 103,000 head Friday and 6,000 head for Saturday. This brought the total for last week to 584,000 head, down from 601,000 the previous week and down from 625,915 a year ago. The USDA boxed beef cutout was down \$2.02 at mid-session Friday and closed \$2.32 lower at \$313.83. This was down from \$322.06 the previous week.



The Commitments of Traders report for the week ending July 16th showed Cattle Managed Money traders reduced their net long position by 3,666 contracts to a net long 58,240 contracts. CIT traders were net long 85,678 contracts after increasing their already long position by 6 contracts. Non-Commercial No CIT traders reduced their net long position by 4,630 contracts to a net long 37,806 contracts. Non-Commercial & Non-Reportable traders were net long 60,354 contracts after decreasing their long position by 4,730 contracts.

TODAY'S MARKET IDEAS:

Packer buying last week was once again light due to reduced slaughter. The cattle on feed report was slightly negative to the front months but friendly to the winter cattle months and expect a lower start in the August this morning. Key trendline support stands at 181.87 on August. Gap support from mid-June remains at 179.67-180.35. Last week's 50% retracement highs will offer significant resistance at 184.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/22/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The next downside target is 181.450. The next area of resistance is around 183.800 and 184.270, while 1st support hits today at 182.400 and below there at 181.450.

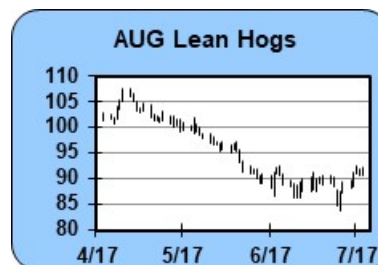
FEEDER CATTLE (AUG) 07/22/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 252.807. The next area of resistance is around 256.887 and 257.956, while 1st support hits today at 254.313 and below there at 252.807.

DAILY HOGS COMMENTARY

7/22/2024

Further upside gains expected this week

December hogs extended their gains Friday and closed the week forming a weekly upside reversal. Last week's low was likely an important turning point and .382 retracement resistance to the June 3rd high is 67.57 and 50% retracement stands at 69.35. Look for further gains this week. Cash markets firmed last week and the front month August contract had its highest weekly close since early June. Estimated US pork production last week was 502.8 million pounds, down from 503.5 the previous week and up from 485.4 a year ago. The CME Lean Hog Index as of July 17 was 89.27 up from 88.80 the previous session and from 88.65 the previous week. The USDA estimated hog slaughter came in at 420,000 head Friday and 43,000 head for Saturday. This brought the total for last week to 2.372 million head, up from 2.364 million the previous week and up from 2.328 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$101.35, up \$2.19 from Thursday and up from \$98.12 the previous week. The previous low was \$99.16 on July 18. The previous high was \$102.57 on June 11.



Hogs positioning in the Commitments of Traders for the week ending July 16th showed Managed Money traders are net short 11,604 contracts after net selling 192 contracts. CIT traders were net long 76,343 contracts after decreasing their long position by 5,025 contracts. Non-Commercial No CIT traders reduced their net short position by 448 contracts to a net short 32,794 contracts. Non-Commercial & Non-Reportable traders are net short 1,006 contracts after net buying 544 contracts.

China's national average spot pig price as of July 22 was up 0.5% from the previous day. For the week prices are up 0.5%, up 8.4% for the month and up 33.2% year to date and up 34.6% versus a year ago. Dalian live hog futures as of July 22 were up 1.0% from the previous day. For the week prices are up 1.0% and up 5.16% for the month and up 9.65% year to date

TODAY'S MARKET IDEAS:

The corrective rally that began early last week in December hogs looks to continue this week. Technical indicators still point higher and have not reached oversold territory, despite the strong gains over the last 5 trading days. Last week's low was significant and December .382 retracement resistance to the June 3rd high is 67.57 and 50% retracement stands at 69.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/22/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 92.870. The next area of resistance is around 92.220 and 92.870, while 1st support hits today at 90.900 and below there at 90.200.

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	183.070	49.89	51.77	31.36	29.13	183.08	182.63	184.04	181.64	179.84
FCQ24	255.600	39.57	43.60	39.04	33.02	257.25	256.96	258.66	258.64	257.66
LHQ24	91.570	60.12	54.11	71.70	82.83	91.47	89.17	89.02	91.95	94.54

Calculations based on previous session. Data collected 07/19/2024

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	181.420	182.370	182.850	183.800	184.270
FCQ24	Feeder Cattle	252.806	254.312	255.381	256.887	257.956
LHQ24	Lean Hogs	90.170	90.870	91.520	92.220	92.870

Calculations based on previous session. Data collected 07/19/2024

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