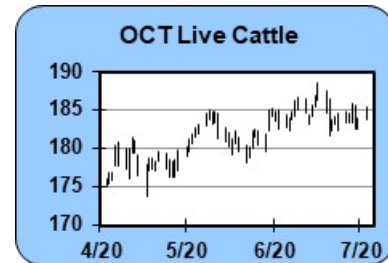




DAILY CATTLE COMMENTARY
7/23/2024

August discount to cash supports

Friday's Cattle on Feed placements were an 8-year low and failed to show any significant heifer retention and that gave a boost to live cattle prices yesterday. August futures closed just under resistance at last week's high of 184.57. Year-to-date boxed beef exports are 7% below last year and 20% below 2022. However, tight Fed cattle supplies remain a supportive factor. Cash cattle ideas this week are steady to weaker and there was no trade established yesterday in any of the major feeding areas. The 5-area, 5-day weighted average stands at 193.02. The USDA estimated cattle slaughter came in at 115,000 head yesterday. This was down from 118,000 last week and down from 122,865 a year ago.



The USDA boxed beef cutout was down 15 cents at mid-session yesterday and closed 39 cents lower at \$313.44. This was down from \$321.49 the previous week. The previous low was \$313.20 on May 31. The previous high was \$313.83 on July 19. Showlist sizes this week are expected up 2973 in Texas to 91,690 head, but down in Kansas by 2341 to 80,597 head and down in Nebraska/Colorado by 3043 to 63,780 head.

TODAY'S MARKET IDEAS:

No cash cattle trade established yesterday but steady/weaker cash is anticipated as packers are unlikely to be aggressive buyers this week as they reduce slaughter to offset tight supplies. 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 but if prices can move through that level, .618 retracement to the July highs is 185.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

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) 07/23/2024: The daily stochastics have crossed over up which is a bullish indication. 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. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 185.420. The next area of resistance is around 184.700 and 185.420, while 1st support hits today at 183.170 and below there at 182.350.

FEEDER CATTLE (AUG) 07/23/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. With the close

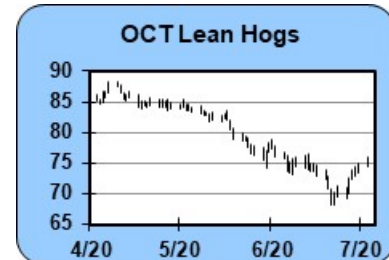
higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 254.069. The next area of resistance is around 257.737 and 259.418, while 1st support hits today at 255.063 and below there at 254.069.

DAILY HOGS COMMENTARY

7/23/2024

More gains possible, technical indicators not yet overbought

Strong pork exports and a bullish technical outlook has pushed December hog prices significantly higher over the last 5 days. December looks headed to the 50% retracement to the June 3rd high, when the sharp decline began, which stands at 69.35. Cutout values have been up for the last 2 weeks, and the cash hog Index was up for the 6th consecutive day. The quick price rebound has caught funds short and additional short covering is expected on December. The CME Lean Hog Index as of July 18 was 89.71 up from 89.27 the previous session and from 88.38 the previous week. The USDA estimated hog slaughter came in at 459,000 head yesterday. This was down from 478,000 last week and down from 459,967 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$104.05, up \$2.70 from Friday and up from \$97.60 the previous week. The previous low was \$101.35 on July 19. The previous high was \$104.37 on August 21, 2023.



China's national average spot pig price as of July 23 was up 0.3% from the previous day. For the week prices are up 0.8%, up 8.7% for the month and up 33.6% year to date and up 35.0% versus a year ago. Dalian live hog futures as of July 23 were up 0.7% from the previous day. For the week prices are up 1.7% and up 6.01% for the month and up 10.66% year to date

TODAY'S MARKET IDEAS:

December has moved above initial.382 retracement resistance to the June 3rd highs and 50% resistance looms at 69.35 and will be the next significant level on the upside. The corrective rally that began early last week in December hogs has been very sharp and likely caught funds leaning too heavily short. Technical indicators still point higher and have not reached oversold territory.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/23/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 93.100. The next area of resistance is around 92.850 and 93.100, while 1st support hits today at 91.900 and below there at 91.170.

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 | 183.920 | 54.71 | 54.71 | 32.02 | 33.33 | 183.39 | 182.80 | 184.02 | 181.81 | 180.01 |
| FCQ24 | 256.399 | 43.52 | 45.77 | 36.50 | 31.42 | 256.69 | 257.04 | 258.52 | 258.65 | 257.66 |
| LHQ24 | 92.370 | 63.46 | 56.52 | 77.13 | 87.98 | 91.74 | 89.61 | 89.33 | 91.78 | 94.29 |

Calculations based on previous session. Data collected 07/22/2024

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 | 182.320 | 183.150 | 183.870 | 184.700 | 185.420 |
| FCQ24 | Feeder Cattle | 254.068 | 255.062 | 256.743 | 257.737 | 259.418 |
| LHQ24 | Lean Hogs | 91.150 | 91.870 | 92.120 | 92.850 | 93.100 |

Calculations based on previous session. Data collected 07/22/2024

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