



## DAILY LIVESTOCK COMMENTARY

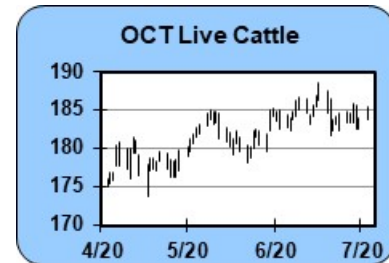
Wednesday July 24, 2024

### DAILY CATTLE COMMENTARY

7/24/2024

#### Packer bids ignite futures rally

August live cattle shot higher yesterday for its best close since July 5th. Packer bids yesterday were stronger than expected for this early in the week and futures responded bullishly. Heifer retention does not appear to be significant yet and traders remain bullish on the tighter supplies. The next significant resistance is the July highs at 188.25. Look for support at 184.60. There were reports of small live trade at \$194 in Iowa/Minnesota and larger trade in Kansas at \$187-188. The 5-area, 5-day weighted average is 192.95, compared to 193.05 at the end of last week. The USDA estimated cattle slaughter came in at 123,000 head yesterday. This brings the total for the week so far to 238,000 head, down from 239,000 last week at this time and down from 248,321 a year ago. The USDA boxed beef cutout was up 35 cents at mid-session yesterday and closed 23 cents lower at \$313.21. This was down from \$319.26 the previous week. The previous low was \$313.20 on May 31. The previous high was \$313.44 on July 22.



#### TODAY'S MARKET IDEAS:

Cash cattle trade yesterday was supportive, albeit light, and futures closed strong. This week's slaughter is expected to remain below average and yesterday's higher range close points to a rally in the August futures to the July high at 188.25. If prices exceed that level, a new leg up could develop. Look for support at 184.60.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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**LIVE CATTLE (AUG) 07/24/2024:** 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 is an indication the intermediate-term trend has turned positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 188.520. The next area of resistance is around 187.670 and 188.520, while 1st support hits today at 184.920 and below there at 182.970.

**FEEDER CATTLE (AUG) 07/24/2024:** The market now above the 60-day moving average suggests the longer-term trend has turned up. 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 market now above the 18-day moving average suggests the intermediate-term trend has turned up. The outside day up and close above the previous day's high is a positive signal. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 261.656. The next area of resistance is

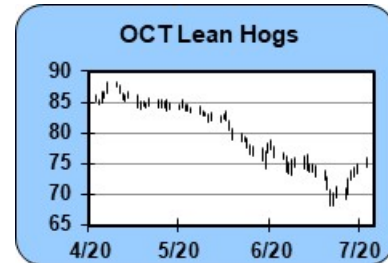
around 260.537 and 261.656, while 1st support hits today at 256.963 and below there at 254.507.

## DAILY HOGS COMMENTARY

7/24/2024

### Technicals point to further rally

Strong price action yesterday and the hogs as August futures gapped higher for their highest close since June 3rd. August also closed above the 50-day moving average for the 1st time since May 1st. December futures also extended their streak of gains and closed strong as well on bullish technicals and firm cash prices. December closed just slightly above 50% retracement resistance to the June 3rd high and 618 retracement resistance stands at 71.10. The CME Lean Hog Index as of July 19 was 89.80 up from 89.71 the previous session and from 88.42 the previous week. The USDA estimated hog slaughter came in at 481,000 head yesterday. This brings the total for the week so far to 934,000 head, down from 955,000 last week at this time and down from 937,762 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$102.98, down \$1.46 from Monday but up from \$99.30 the previous week. The previous low was \$101.35 on July 19. The previous high was \$104.44 on July 22.



China's national average spot pig price as of July 24 was up 0.1% from the previous day. For the week prices are up 0.9%, up 8.8% for the month and up 33.7% year to date and up 33.2% versus a year ago. Dalian live hog futures as of July 24 were up 0.1% from the previous day. For the week prices are up 1.8% and up 5.99% for the month and up 10.63% year to date

### TODAY'S MARKET IDEAS:

Funds continue to cover short positions in December and that pushed prices up for another day of strong gains yesterday. December retracement resistance is 71.10 and the 50-day moving average, which the market has not been above since late April, is at 71.00. Technicals point to further gains with yesterday's strong close but selling could increase as we near \$71 mark.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/24/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The gap up on the day session chart gave a bullish indicator and more follow through could be seen this session. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 94.870. The next area of resistance is around 94.320 and 94.870, while 1st support hits today at 92.970 and below there at 92.150.

## 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	186.300	65.48	61.90	36.93	46.77	183.89	183.25	183.99	182.01	180.18
FCQ24	258.750	53.55	51.66	36.95	37.87	256.74	257.53	258.35	258.68	257.67
LHQ24	93.650	68.22	60.13	81.74	90.97	92.24	90.61	89.59	91.62	94.10

Calculations based on previous session. Data collected 07/23/2024

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	182.950	184.900	185.750	187.670	188.520
FCQ24	Feeder Cattle	254.506	256.962	258.081	260.537	261.656
LHQ24	Lean Hogs	92.120	92.950	93.500	94.320	94.870

Calculations based on previous session. Data collected 07/23/2024

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