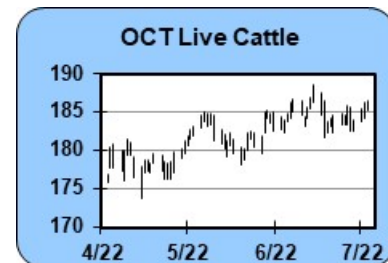




DAILY CATTLE COMMENTARY
7/25/2024

August supported by discount to cash

August cattle closed higher yesterday, despite sharp weakness in the US stock market, which oftentimes is a bearish headwind for cattle. The August discount to cash has been supportive this week. Prices look to be headed to the 10-month high at 188.25. Look for nearby support at 186.25. USDA showed 66 head sold in Kansas yesterday at \$188. The 5-area, 5-day weighted average for the week is 194.71, up from 193.05 at the end of last week. Slaughter was smaller last week and is expected at the same level this week, but down 12,000 head from this week last year. The USDA boxed beef cutout was up 9 cents at mid-session yesterday and closed 53 cents lower at \$312.68. This was down from \$318.16 the previous week. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 360,000 head, unchanged from last week at this time but down from 372,352 a year ago.



TODAY'S MARKET IDEAS:

This week's slaughter is expected to remain below average and yesterday's strong 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 close in support on August at 186.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/25/2024: 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. The close over the pivot swing is a somewhat positive setup. The next upside target is 187.900. The next area of resistance is around 187.470 and 187.900, while 1st support hits today at 186.320 and below there at 185.570.

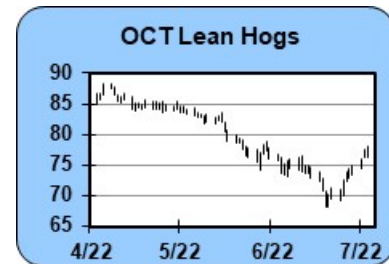
FEEDER CATTLE (AUG) 07/25/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 260.231. The next area of resistance is around 258.537 and 260.231, while 1st support hits today at 255.713 and below there at 254.582.

DAILY HOGS COMMENTARY

7/25/2024

December prices nearing key retracement resistance

Lean hog open interest continues to decline and has now reached its lowest level since late February, as fund shorts exit on this rally. August futures ended slightly higher yesterday on technical strength after the gap higher on Tuesday morning. December hogs closed strong as well and look poised to test 618 retracement to the June 3rd highs at 71.10. The bullish momentum may slow as the market reaches that next retracement and we wouldn't be surprised to see an interim high today or tomorrow and a pullback next week. Weekly pork export sales this morning were well above last week but down 19% from the 4-week average. The CME Lean Hog Index as of July 22 was 90.08 up from 89.80 the previous session and from 88.62 the previous week. The average hog weight for Iowa-Southern Minnesota as of July 20 was 283.6 pounds, down from 284.7 pounds the previous week and up from 278.5 a year ago. The 5-year average is 278.6 pounds. The USDA estimated hog slaughter came in at 479,000 head yesterday. This brings the total for the week so far to 1.413 million head, down from 1.434 million last week at this time but up from 1.396 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$103.61, up 63 cents from Tuesday and up from \$98.11 the previous week. The previous low was \$102.98 on July 23. The previous high was \$104.44 on July 22.



China's national average spot pig price as of July 25 was down 0.5% from the previous day. For the week prices are up 0.4%, up 8.3% for the month and up 33.0% year to date and up 30.2% versus a year ago. Dalian live hog futures as of July 25 were down 0.7% from the previous day. For the week prices are up 1.1% and up 5.45% for the month and up 10.07% year to date.

TODAY'S MARKET IDEAS:

The recent sharp bull run extended to its 8th day as fund shorts move away from their positions. December.618 retracement resistance at 71.10 and the 50-day moving average at 70.95, which the market has not been above since late April, should provide stiff resistance on any further rally. Watch for an interim high today or tomorrow and potential pullback next week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/25/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 95.120. The next area of resistance is around 94.470 and 95.120, while 1st support hits today at 93.100 and below there at 92.350.

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	186.900	67.66	63.48	44.10	58.44	185.06	183.77	184.02	182.18	180.35
FCQ24	257.125	47.05	47.80	37.02	37.14	256.97	257.63	258.15	258.62	257.61
LHQ24	93.770	68.67	60.47	85.24	92.23	92.84	91.39	89.90	91.49	93.93

Calculations based on previous session. Data collected 07/24/2024

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	185.550	186.300	186.720	187.470	187.900
FCQ24	Feeder Cattle	254.581	255.712	257.406	258.537	260.231
LHQ24	Lean Hogs	92.320	93.070	93.720	94.470	95.120

Calculations based on previous session. Data collected 07/24/2024

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