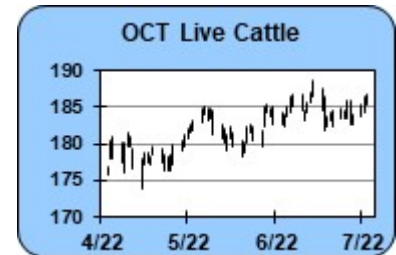




**DAILY CATTLE COMMENTARY**  
7/26/2024

**Stronger than expected cash bids push futures up**

August cattle shot higher yesterday to their highest close since early October 2023. Packers found themselves short bought enough to bid up yesterday as cash prices were mostly \$2 higher in the South with \$190 trade in Texas and Kansas. The technical outlook suggests further gains and the contract highs last fall at 192.45 look to be in the market's sights. Nearby support is now 185.60. Yesterday's weekly export sales showed the top buyers of US beef last week were South Korea, Japan and China. The 5-area, 5-day weighted average so far this week is when 93.13, compared to 193.05 at the end of last week. Yesterday afternoon's monthly cold storage report showed total June frozen red meat supplies at 905,590 tonnes, down 2.4% from May and down 1.9% year-over-year. Beef supplies for June were 410,301 tonnes, down 2.7% from May and down .1% year-to-date. Beef production was 2.136 billion pounds, down 8.6% year-over-year. June cattle slaughter totalled 2.54 million head, down 12.3% from a year ago. The average live cattle weight in June rose by 44 pounds from last year to 1382 pounds. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 480,000 head, up from 475,000 last week at this time but down from 496,768 a year ago. The USDA boxed beef cutout was up 40 cents at mid-session yesterday and closed 22 cents lower at \$312.46. This was down from \$316.15 the previous week. The previous low was \$312.12 on May 28. The previous high was \$312.68 on July 24.



U.S. beef export sales for the week ending July 18 came in at 13,400 tonnes compared with the average of the previous four weeks of 14,000 tonnes. Cumulative sales for the 13.4 have reached 566,700 tonnes, up 0.2% versus last year's pace.

**TODAY'S MARKET IDEAS:**

Yesterday's \$190 cash trade in Texas was a new all-time high price for the state and caught the bear camp by surprise yesterday. August futures closed at a new 10-month high, and the uptrend is intact. Next resistance is the contract high at 192.45. There is no sign yet of any seasonal top in cash cattle prices.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

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LIVE CATTLE (AUG) 07/26/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. 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. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in

the session. The next upside objective is 190.670. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 190.020 and 190.670, while 1st support hits today at 187.770 and below there at 186.150.

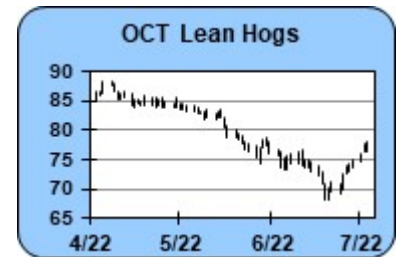
**FEEDER CATTLE (AUG) 07/26/2024:** The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The upside closing price reversal on the daily chart is somewhat bullish. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 262.518. The next area of resistance is around 260.812 and 262.518, while 1st support hits today at 256.438 and below there at 253.769.

## DAILY HOGS COMMENTARY

7/26/2024

### Rally momentum stalling

Recent upward momentum on August hogs stalled yesterday with the near unchanged close. December prices also closed near unchanged, stopping just short of significant moving average and retracement resistance at 70.60-71.00. The strong rally since July 15th may be close to running its course and a pullback may be coming. Yesterday's monthly Cold Storage report showed June frozen pork supplies at 470,945 tonnes, down from 482,475 in May and down 3.3% year-over-year. Pork belly stocks were down 13.5% in June from year ago. Pork production for June was 2.12 billion pounds, down 3.8% year-over-year and down 7.1% from May. Hog slaughter was 9.915 million head, down 4.9% year-over-year. The CME Lean Hog Index as of July 23 rose for the 9th straight day and was 90.77 up from 90.08 the previous session and from 88.80 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 1.888 million head, down from 1.909 million last week at this time but up from 1.855 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$105.15, up \$1.54 from Wednesday and up from \$99.16 the previous week.



China's national average spot pig price as of July 26 was down 0.1% from the previous day. For the week prices are up 0.4%, up 8.2% for the month and up 33.0% year to date and up 26.0% versus a year ago. Dalian live hog futures as of July 26 were down 1.1% from the previous day. For the week prices are unchanged and up 3.89% for the month and up 8.44% year to date.

U.S. pork export sales for the week ending July 18 came in at 30,200 tonnes compared with the average of the previous four weeks of 37,200 tonnes. Cumulative sales for the 2024 marketing year have reached 1,175,700 tonnes, down 1.5% versus last year's pace.

### TODAY'S MARKET IDEAS:

The December price rally stalled after prices tested the 50% retracement to the 2024 highs made back in early April at 79.60. It appears the 9-day rally may be ready for a pullback and longs may consider taking profits here. 50-day moving average resistance stands at 70.80. Watch for an interim high today or early next week.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/26/2024: The cross over and close above the 60-day moving average indicates the longer-term trend has turned up. Momentum studies are trending higher but have entered overbought 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 upside objective is 95.120. The next area of resistance is around 94.500 and 95.120, while 1st support hits today at 93.070 and below there at 92.250.

### 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	188.900	73.86	68.20	53.60	72.59	186.51	184.49	184.21	182.41	180.57
FCQ24	258.625	52.98	51.41	38.72	42.13	257.73	257.63	258.11	258.62	257.59
LHQ24	93.770	68.67	60.47	87.83	93.00	93.39	91.99	90.14	91.37	93.76

Calculations based on previous session. Data collected 07/25/2024  
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	186.120	187.750	188.400	190.020	190.670
FCQ24	Feeder Cattle	253.768	256.437	258.143	260.812	262.518
LHQ24	Lean Hogs	92.220	93.020	93.670	94.500	95.120

Calculations based on previous session. Data collected 07/25/2024  
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