

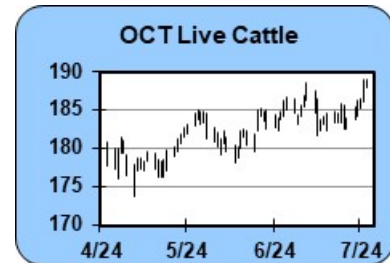


DAILY LIVESTOCK COMMENTARY
Monday July 29, 2024

DAILY CATTLE COMMENTARY
7/29/2024

Cash mostly \$2 higher last week

Cash cattle prices were generally \$2 higher in all feeding areas and that supported the futures rally last week. August cattle prices closed up every day last week except for Friday. Since August first notice day is nearing, we will comment on the December contract. December had its highest close Friday since March 21st but has yet to take out the July 5th high of 190.07. That level will be next resistance and beyond that the 2024 high stands at 191.62. Those levels are likely be tested this week if cash prices are any higher at all. The 5-area, 5-day weighted average for last week was 193.90, up from 193.05 the previous week.



The estimated average dressed cattle weight last week was 843 pounds, down from 844 the previous week and up from 816 a year ago. The 5-year average weight for that week is 819 pounds. Estimated beef production last week was 504.9 million pounds, up from 501.5 million a year ago. The USDA estimated cattle slaughter came in at 110,000 head Friday and 10,000 head for Saturday. This brought the total for last week to 600,000 head, up from 584,000 the previous week but down from 615,823 a year ago. The USDA boxed beef cutout was up \$2.01 at mid-session Friday and closed \$1.31 higher at \$313.77. This was down from \$313.83 the previous week.

The Commitments of Traders report for the week ending July 23rd showed Cattle Managed Money traders were net long 61,876 contracts after increasing their already long position by 3,636 contracts. CIT traders reduced their net long position by 814 contracts to a net long 84,864 contracts. Non-Commercial No CIT traders were net long 38,931 contracts after increasing their already long position by 1,125 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 1,970 contracts to a net long 58,384 contracts.

TODAY'S MARKET IDEAS:

Stronger cash trade last week pushed December prices up to its highest close in 4 months. The expected seasonal top in cash prices has not yet materialized. December live cattle next resistance is the July highs of 190.07. Technical indicators are not yet in overbought territory and support a further rally. Support is expected at 187.45.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 7/16/2024 - 7/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-1,507	+556	7,049	-266	-5,541	-288
Cattle	79,530	+486	-58,384	+1,970	-21,146	-2,456

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) 07/29/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 189.750. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 189.100 and 189.750, while 1st support hits today at 188.050 and below there at 187.620.

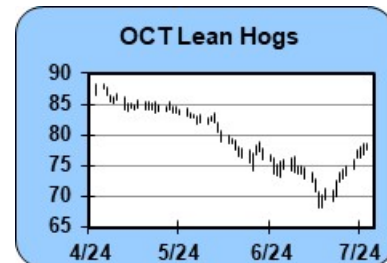
FEEDER CATTLE (AUG) 07/29/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 262.081. The next area of resistance is around 260.937 and 262.081, while 1st support hits today at 258.463 and below there at 257.132.

DAILY HOGS COMMENTARY

7/29/2024

December contract just under 50% retracement resistance

December hogs had a strong week on firm cash markets and continued short covering. Estimated US pork production last week was higher at 515.4 million pounds, up from 503 the previous week and up from 499.4 a year ago. The cash hog Index last week had its 1st higher weekly close since early June. December prices are nearing the 50% retracement to the early April highs, which stands at 70.70. If the market can move above that level, next key resistance is 71.70. The sharp rally over the last 2 weeks may run into heavy selling in the 70.50-72.50 zone. Look for support at 67.25. The USDA estimated hog slaughter came in at 438,000 head Friday and 110,000 head for Saturday. This brought the total for last week to 2.436 million head, up from 2.372 million the previous week and up from 2.398 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$104.18, down 97 cents from Thursday but up from \$101.35 the previous week.



Hogs positioning in the Commitments of Traders for the week ending July 23rd showed Managed Money traders net bought 7,174 contracts and are now net short 4,430 contracts. CIT traders were net long 80,464 contracts after increasing their already long position by 4,121 contracts. Non-Commercial No CIT traders net bought 4,425 contracts and are now net short 28,369 contracts. Non-Commercial & Non-Reportable traders net bought 7,283 contracts which moved them from a net short to a net long position of 6,277 contracts.

China's national average spot pig price as of July 29 was up 0.7% from the previous day. For the week prices are up 0.7%, up 9.0% for the month and up 33.9% year to date and up 27.7% versus a year ago. Dalian live hog futures as of July 29 were up 0.5% from the previous day. For the week prices are up 0.5% and up 4.57% for the month and up 9.15% year to date.

TODAY'S MARKET IDEAS:

December hog prices rallied a little over \$3 last week and are very close to the 50% retracement level of the entire move down since April, which stands at 70.70. Above that, 618 retracement is 72.80. Watch for bullish momentum to fade as prices move into that retracement zone.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 7/16/2024 - 7/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	8,622	+8,254	-6,276	-7,282	-2,345	-971

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/29/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. 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 market's close below the pivot swing number is a mildly negative setup. The next upside objective is 94.320. The next area of resistance is around 93.820 and 94.320, while 1st support hits today at 93.120 and below there at 92.900.

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	188.570	71.36	66.69	62.13	79.20	187.67	185.21	184.45	182.59	180.83
FCQ24	259.700	56.87	53.88	43.63	53.45	258.55	257.73	258.24	258.62	257.66
LHQ24	93.470	65.84	59.05	89.39	92.51	93.67	92.55	90.44	91.26	93.60

Calculations based on previous session. Data collected 07/26/2024

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	187.600	188.020	188.670	189.100	189.750
FCQ24	Feeder Cattle	257.131	258.462	259.606	260.937	262.081
LHQ24	Lean Hogs	92.870	93.100	93.600	93.820	94.320

Calculations based on previous session. Data collected 07/26/2024

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