



## DAILY LIVESTOCK COMMENTARY

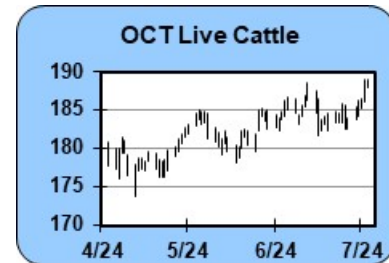
Friday August 02, 2024

### DAILY CATTLE COMMENTARY

8/2/2024

#### Macro selling hits cattle market

Heavy selling hit the live cattle and feeder market yesterday morning as recession fears and a sharply weaker US stock market pushed cattle prices sharply lower. Cash cattle trade developed yesterday across the feeding areas at \$1-\$2 lower than last week. Cheap grain prices may keep cattle on feed longer than normal and that may increase carcass weights. Key support for December live cattle is 183.57 and a move below that level would be a significant negative technical development. The 5-area, 5-day weighted average for the week is now 194.92, compared to 194.74 at the end of last week. The USDA estimated cattle slaughter came in at 114,000 head yesterday. This brings the total for the week so far to 474,000 head, down from 480,000 last week at this time and down from 493,007 a year ago. The USDA boxed beef cutout was down \$1.34 at mid-session yesterday and closed \$1.98 lower at \$312.79. This was up from \$312.46 the previous week.



U.S. beef export sales for the week ending July 25 came in at 17,700 tonnes compared with the average of the previous four weeks of 13,200 tonnes. Cumulative sales for the 17.7 have reached 584,400 tonnes, up 0.7% versus last year's pace.

#### TODAY'S MARKET IDEAS:

There is no question the cattle market is sensitive to economic fears and yesterday's sharp drop in the stock market was reason enough for traders to aggressively sell live cattle and feeders. Consumer beef demand is in question and December live cattle prices closed right on key 200-day moving average support at 184.60. Significant chart damage may be done if prices follow through to the downside today. Live cattle may be at an important inflection point and the recent uptrend may be coming to an end.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/02/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 180.850. The next area of resistance is around 185.470 and 187.920, while 1st support hits today at 181.950 and below there at 180.850.

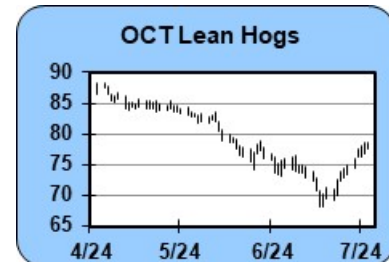
FEEDER CATTLE (SEP) 08/02/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 246.557. The next area of resistance is around 254.962 and 259.206, while 1st support hits today at 248.638 and below there at 246.557.

## DAILY HOGS COMMENTARY

8/2/2024

### Cash hog index up for 13th straight day

Hog prices ignored the sharp weakness in cattle and closed higher yesterday. The CME cash hog Index was up for the 13th consecutive day. A move above 50-day moving average resistance at 69.95 on December may point to a new leg higher. 50% retracement support remains at 66.20. The CME Lean Hog Index as of July 30 was 93.08, up from 92.59 the previous session and from 90.77 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 1.916 million head, up from 1.888 million last week at this time and up from 1.896 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$105.06, up \$1.34 from Wednesday but down from \$105.15 the previous week.



U.S. pork export sales for the week ending July 25 came in at 31,500 tonnes compared with the average of the previous four weeks of 35,000 tonnes. Cumulative sales for the 2024 marketing year have reached 1,207,200 tonnes, down 1.2% versus last year's pace.

China's national average spot pig price as of August 2 was up 0.4% from the previous day. For the week prices are up 4.1%, up 1.6% for the month and up 38.5% year to date and up 14.3% versus a year ago. Dalian live hog futures as of August 02 were up 1.2% from the previous day. For the week prices are unchanged and up 1.99% for the month and up 12.32% year to date

### TODAY'S MARKET IDEAS:

December prices tested the 618 retracement resistance at 69.20 and the close above that level could trigger a run to last week's highs at 70.55. In addition, 50-day moving average resistance is 69.95 and the market has not been above that level since late April. December is at a pivotal price point where a further rally could trigger a new leg higher but a failure here at retracement resistance could send the market down to 50% retracement support.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/02/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the

1st swing resistance. The next downside target is now at 75.100. The next area of resistance is around 77.850 and 78.420, while 1st support hits today at 76.200 and below there at 75.100.

### 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>										
LCV24	183.700	39.95	45.14	63.65	53.93	186.16	186.53	185.18	184.03	183.21
FCU24	251.800	32.47	37.36	36.99	28.97	255.48	256.80	257.10	258.72	258.58
LHV24	77.020	59.68	55.78	77.09	76.52	75.64	76.63	74.03	75.91	77.94

Calculations based on previous session. Data collected 08/01/2024

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>						
LCV24	Live Cattle	180.820	181.920	184.370	185.470	187.920
FCU24	Feeder Cattle	246.556	248.637	252.881	254.962	259.206
LHV24	Lean Hogs	75.070	76.170	76.750	77.850	78.420

Calculations based on previous session. Data collected 08/01/2024

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