

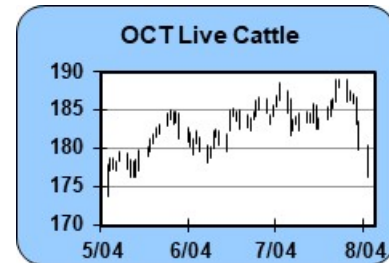


## DAILY LIVESTOCK COMMENTARY Tuesday August 06, 2024

### DAILY CATTLE COMMENTARY 8/6/2024

#### Higher start expected after macro markets stabilized overnight

The sharp stock and commodity selloff hit the cattle market hard over the last few sessions and Friday's trading volume was the highest since November of last year. December live cattle has dropped more than \$10 in the last 3 sessions, despite a rally in beef prices yesterday. December cattle is now well below all of the major moving averages and the uptrend since April has been broken. Nearby resistance is now \$180 and we expect a stronger opening today as the macro markets have stabilized overnight. Cash cattle trade was not established yesterday and the outlook for this week is steady/weaker. The 5-area, 5-day weighted average for the week is 194.52. Showlist sizes this week are expected up 2660 head in Texas to 89,960, down 554 in Kansas at 93,986 and down 4787 in Nebraska/Colorado at 63,364. The USDA estimated cattle slaughter came in at 119,000 head yesterday. This was up from 115,000 last week but down from 122,512 a year ago. The USDA boxed beef cutout was up \$4.64 at mid-session yesterday and closed \$4.17 higher at \$317.94. This was up from \$314.81 the previous week.



#### TODAY'S MARKET IDEAS:

Live cattle open interest has dropped more than 30,000 contracts in the last 3 days on the selloff, an indication that long funds are exiting. Macro pressure has subsided this morning and we expect the market to try to bounce back higher today. Look for 1st resistance at \$180 on December. The technical picture has dramatically weakened over the past few days and we expect to see selling on a bounce between \$180-\$182.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### 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 (OCT) 08/06/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 174.570. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 181.070 and 182.850, while 1st support hits today at 176.950 and below there at 174.570.

**FEEDER CATTLE (SEP) 08/06/2024:** Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The gap down on the day session chart is bearish with more selling pressure possible today. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 236.138. The 9-day

RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 243.874 and 246.637, while 1st support hits today at 238.625 and below there at 236.138.

## DAILY HOGS COMMENTARY

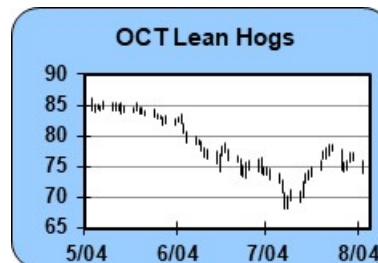
8/6/2024

### December bounces off moving average support

December hogs gapped lower yesterday on the heavy outside market pressure but rebounded to close on the highs of the day. With financial markets stabilizing overnight, we expect a higher opening today.

Yesterday's low on December hit 20-day moving average support at 67.00. The CME lean hog Index finally closed lower after 15

consecutive days of gains. The CME Lean Hog Index as of August 2 was 93.59 down from 93.64 the previous session and from 91.85 the previous week. The USDA estimated hog slaughter came in at 411,000 head yesterday. This was down from 473,000 last week and down from 418,332 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$103.81, up 34 cents from Friday but down from \$105.81 the previous week.



China's national average spot pig price as of August 6 was up 0.7% from the previous day. For the week prices are up 3.1%, up 4.7% for the month and up 42.7% year to date and up 18.5% versus a year ago. Dalian live hog futures as of August 06 were down 0.4% from the previous day. For the week prices are up 1.5% and up 2.42% for the month and up 12.79% year to date

### TODAY'S MARKET IDEAS:

Hogs fared better than most commodities yesterday, closing lower but well above the morning lows. The higher range close and stable financial markets overnight should give some support to hogs on the opening and prices could run up to 50-day moving average resistance is 69.65. Yesterday's low touched 20-day moving average support, making 67.00 a short-term pivot support level.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/06/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 73.250. Bearish daily studies indicate selling minor rallies this session. The next area of resistance is around 76.770 and 77.420, while 1st support hits today at 74.700 and below there at 73.250.

## 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>										
LCV24	179.000	26.09	33.57	48.43	32.39	182.87	185.46	184.88	183.95	183.29
FCU24	241.250	18.62	25.40	28.56	18.68	249.58	253.95	255.88	257.98	258.26
LHV24	75.720	51.25	50.66	74.65	70.35	76.31	76.54	74.76	75.64	77.65

Calculations based on previous session. Data collected 08/05/2024

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	174.550	176.920	178.700	181.070	182.850
FCU24	Feeder Cattle	236.137	238.624	241.387	243.874	246.637
LHV24	Lean Hogs	73.220	74.670	75.320	76.770	77.420

Calculations based on previous session. Data collected 08/05/2024

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