

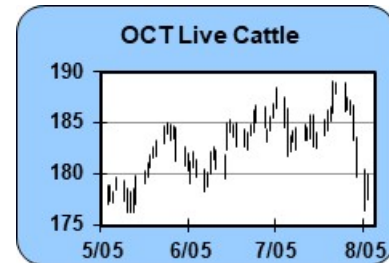


DAILY LIVESTOCK COMMENTARY Wednesday August 07, 2024

DAILY CATTLE COMMENTARY 8/7/2024

Cash trade this week expected lower

Live cattle closed mixed yesterday with the front months stronger and deferred months weaker. The panic selling seen Friday and Monday looks to have ended after September feeder cattle hit an 8-month low yesterday. Cutout was weak yesterday and some consumers are shunning higher priced beef, in favor of chicken or pork. The three-day sharp correction was likely overdone but the technical damage to the chart may result in selling on rallies now that the uptrend has been broken. Look for 1st resistance on December live cattle at 180.00. US June beef exports were 95 million tonnes, unchanged from May but slightly down from June 2023 at 98 million tonnes. Carcass weights last week were 894 pounds, 33 pounds above this week last year. Some cash cattle trade was reported in the Iowa/Minnesota region at \$190-193. This week's cash outlook is lower. The 5-area, 5-day weighted average for the week is 194.50, down slightly from 194.52 at the end of last week. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 241,000 head, up from 238,000 last week at this time but down from 246,053 a year ago. The USDA boxed beef cutout was down \$2.25 at mid-session yesterday and closed \$2.13 lower at \$315.81. This was up from \$314.48 the previous week. The previous low was \$313.77 on August 2. The previous high was \$317.94 on August 5.



TODAY'S MARKET IDEAS:

Live cattle open interest dropped again yesterday, an indication that worried longs continue to take some risk off the table despite the rebound in the macro markets. 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) 08/07/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 176.400. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 180.300 and 181.420, while 1st support hits today at 177.800 and below there at 176.400.

FEEDER CATTLE (SEP) 08/07/2024: Momentum studies are still bearish but are now at oversold levels and will

tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 235.269. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 243.262 and 246.018, while 1st support hits today at 237.888 and below there at 235.269.

DAILY HOGS COMMENTARY

8/7/2024

Cheaper pork prices may steal demand from higher priced beef

December hogs tested resistance at 69.90 early in the session as macro markets bounced, but prices fell back, ending slightly higher on the day. The cash hog Index was lower, as was the cutout on weak trends in hams and bellies. If December hogs can take out 69.90 resistance, prices could move to test the July highs at 70.55. Moving average support for December stands at 67.40. US June pork exports were 188 million tonnes, down from 210 in May and down from 205 in June of last year.

The CME Lean Hog Index as of August 5 was 93.33 down from 93.59 the previous session but up from 92.29 the previous week. The USDA estimated hog slaughter came in at 482,000 head yesterday. This brings the total for the week so far to 893,000 head, down from 954,000 last week at this time but up from 891,069 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$101.31, down \$2.50 from Monday and down from \$104.77 the previous week.

China's national average spot pig price as of August 7 was up 0.2% from the previous day. For the week prices are up 3.3%, up 4.9% for the month and up 43.0% year to date and up 17.8% versus a year ago. Dalian live hog futures as of August 07 were up 0.1% from the previous day. For the week prices are up 0.3% and up 1.22% for the month and up 6.53% year to date

TODAY'S MARKET IDEAS:

Macro markets continue to rebound this morning and may give a slight boost to hogs on the opening. However, yesterday's rally on December stalled right at the resistance of 69.90. A pullback to moving average support at 67.40 is possible.

NEW RECOMMENDATIONS:

None.

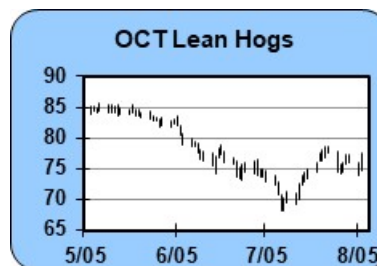
PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/07/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. 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 downside objective is now at 73.600. The next area of resistance is around 77.750 and 78.970, while 1st support hits today at 75.070 and below there at 73.600.



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										
LCV24	179.050	26.40	33.77	41.58	27.87	180.96	184.66	184.63	183.92	183.33
FCU24	240.575	18.05	24.84	24.19	15.45	245.44	252.16	255.00	257.59	258.06
LHV24	76.400	55.10	53.13	72.39	67.86	76.43	76.36	75.15	75.49	77.52

Calculations based on previous session. Data collected 08/06/2024

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						
LCV24	Live Cattle	176.370	177.770	178.900	180.300	181.420
FCU24	Feeder Cattle	235.268	237.887	240.643	243.262	246.018
LHV24	Lean Hogs	73.570	75.050	76.270	77.750	78.970

Calculations based on previous session. Data collected 08/06/2024

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