



## DAILY LIVESTOCK COMMENTARY

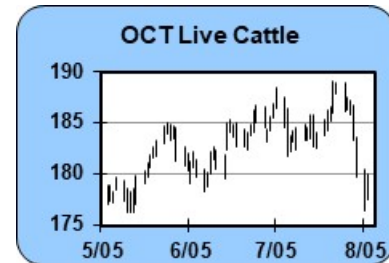
Thursday August 08, 2024

### DAILY CATTLE COMMENTARY

8/8/2024

#### Cash trade comes in \$1-\$3 lower

August cattle started stronger yesterday morning but lost momentum and closed slightly higher on the day. Cattle traders clearly had one eye on the stock market, which weakened late the cattle trading session. Feeder cattle were significantly weaker than live cattle. Resistance remains at 180 on December futures and support just above this week's low at 176.50. Cash trade yesterday was active in Kansas with cattle selling at \$187 and additional sales at \$190 to be shipped north to Nebraska. Northern region sales were \$3 lower from last week and the southern region down \$1. The 5-area, 5-day weighted average for the week is now 194.28, down 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 363,000 head, up from 360,000 last week at this time but down from 368,578 a year ago. The USDA boxed beef cutout was down \$1.68 at mid-session yesterday and closed \$1.96 lower at \$313.85. This was down from \$314.77 the previous week.



#### TODAY'S MARKET IDEAS:

There is no doubt cattle prices have been under the influence of the swings in the stock market this week. As expected, cash trade developed at lower prices yesterday. Live cattle open interest held steady yesterday after the sharp decline since late last week. Look for 1st resistance at \$180 on December. Expect to see overhead 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) 08/08/2024:** A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside objective is now at 177.070. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 180.420 and 181.650, while 1st support hits today at 178.150 and below there at 177.070.

**FEEDER CATTLE (SEP) 08/08/2024:** 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 objective is 235.782. The 9-day RSI under 20 suggests the market is extremely oversold. The next area

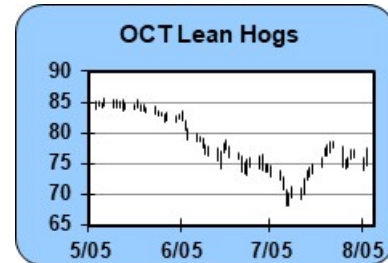
of resistance is around 240.962 and 244.031, while 1st support hits today at 236.838 and below there at 235.782.

## DAILY HOGS COMMENTARY

8/8/2024

### Cutout values seasonally peaking

December hogs weakened yesterday and closed below moving average support at 67.40 as cutout values weakened. The cash hog Index had its 3rd daily consecutive decline after previously rising for 15 straight days and may be making it seasonal top. December hogs may have a potential bull flag formation but yesterday's low appeared to be right on the lower flag boundary and needs to hold to keep the pattern intact. A breakout of the upper boundary at 69.50 would suggest a new leg to the upside. The CME Lean Hog Index as of August 6 was 93.10 down from 93.33 the previous session but up from 92.59 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 1.374 million head, down from 1.435 million last week at this time but up from 1.361 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.43, down \$1.88 from Tuesday and down from \$103.72 the previous week.



### TODAY'S MARKET IDEAS:

December prices made a 3-week low yesterday and 50% retracement support sits at 66.20. If hog prices can turn back higher today, a potential bull flag pattern will remain in place. Recession fears earlier this week increased talk that cheaper pork may find additional demand from beef consumers but that has yet to be seen. Today's trade will be a key test whether the bull or bear camp will grab the reins.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK 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.

LEAN HOGS (OCT) 08/08/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 1st swing support could weigh on the market. The next downside objective is now at 72.750. The next area of resistance is around 75.620 and 77.020, while 1st support hits today at 73.520 and below there at 72.750.

### 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	179.270	27.96	34.72	36.40	26.04	179.85	183.62	184.37	183.88	183.36

FCU24	238.900	16.61	23.46	19.75	10.86	242.22	250.04	253.94	257.17	257.85
LHV24	74.570	44.43	46.37	66.85	55.77	75.82	76.00	75.40	75.32	77.35

**Calculations based on previous session. Data collected 08/07/2024**

**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	177.050	178.120	179.350	180.420	181.650
FCU24	Feeder Cattle	235.781	236.837	239.906	240.962	244.031
LHV24	Lean Hogs	72.720	73.500	74.870	75.620	77.020

**Calculations based on previous session. Data collected 08/07/2024**

**Data sources can & do produce bad ticks. Verify before use.**

*\*\*\*This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.*