



## DAILY LIVESTOCK COMMENTARY

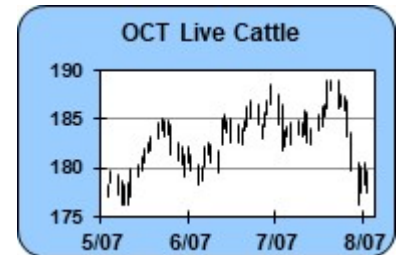
Friday August 09, 2024

### DAILY CATTLE COMMENTARY

8/9/2024

#### Live cattle fail to follow stock market rebound

A disappointing day in the cattle yesterday as prices were weaker despite a significant rally in the stock market. Earlier in the week the market seemed to be in lockstep with the stock market movement but that appears to have ended. Cutout values were weaker. December futures yesterday tested Monday's lows of 176.27. If prices fall below that level, a drop to the April lows of 175.35 can be expected. Cash trade in Kansas and Texas yesterday were between \$186-\$190, with a higher priced cattle in Kansas heading north into Nebraska. The trend for the week so far is \$2-\$4 lower than last week. The 5-area, 5-day weighted average is now 192.30, down from 194.52 last week. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 484,000 head, up from 474,000 last week at this time but down from 492,733 a year ago. The USDA boxed beef cutout was down \$1.59 at mid-session yesterday and closed \$1.73 lower at \$312.12. This was down from \$312.79 the previous week.



U.S. beef export sales for the week ending August 1 came in at 10,000 tonnes compared with the average of the previous four weeks of 13,700 tonnes. Cumulative sales for the year have reached 594,400 tonnes, up 0.4% versus last year's pace.

#### TODAY'S MARKET IDEAS:

Surprisingly, the sharp stock market rally yesterday did not help the cattle market, and we have to assume the technical damage done over the last 6 days has turned trader attitudes bearish. Daily trading volume yesterday was very light. December live cattle held the low made earlier this week at 176.27 and if prices head lower again today and next support would be at the April low of 175.35. Contract low support from December of last year stands at 172.25.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/09/2024: 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. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 176.120. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 179.120 and 180.500, while 1st support hits today at 176.920 and below there at 176.120.

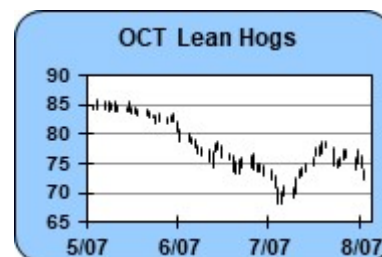
FEEDER CATTLE (SEP) 08/09/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 234.632. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 239.062 and 241.181, while 1st support hits today at 235.788 and below there at 234.632.

## DAILY HOGS COMMENTARY

8/9/2024

### December chart breaks down with gap lower

December hogs had a bearish gap lower to start the day yesterday on weak cutout values and prices fell below retracement support. The potential technical bull flag pattern was negated with yesterday's weakness. Resistance will be at the gap between 66.55-66.80. Yesterday's break may encourage further technical selling to end the week. Weekly export sales came in stronger-than-expected. The CME Lean Hog Index continues to pullback this week and as of August 6 was 93.10 down from 93.33 the previous session and from 93.59 the previous week. The USDA estimated hog slaughter came in at 463,000 head yesterday. This brings the total for the week so far to 1.837 million head, down from 1.916 million last week at this time but up from 1.837 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.47, down 57 cents from Wednesday and down from \$105.06 the previous week.



U.S. pork export sales for the week ending August 1 came in at 34,600 tonnes compared with the average of the previous four weeks of 28,000 tonnes. Cumulative sales for the 2024 marketing year have reached 1,241,800 tonnes, down 0.9% versus last year's pace.

### TODAY'S MARKET IDEAS:

The technical outlook weakened yesterday with the gap lower and close below 50% retracement support on December. Cash markets were generally weak, leaving traders to focus on the chart breakdown. Resistance today will be 66.55. Look for further selling into the weekend.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/09/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The gap lower price action on the day session chart is a bearish indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 71.850. The next area of resistance is around 74.370 and 74.870, while 1st support hits today at 72.870 and below there at 71.850.

## 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	178.020	24.69	31.99	31.39	21.38	178.84	182.45	184.05	183.82	183.38
FCU24	237.425	15.40	22.28	15.75	7.76	239.54	247.58	252.74	256.72	257.60
LHV24	73.620	39.90	43.29	59.36	44.38	75.08	75.49	75.61	75.17	77.18

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

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	176.100	176.900	178.300	179.120	180.500
FCU24	Feeder Cattle	234.631	235.787	237.906	239.062	241.181
LHV24	Lean Hogs	71.820	72.850	73.350	74.370	74.870

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

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