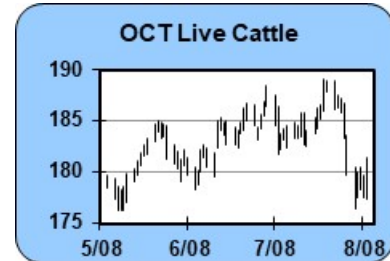




DAILY CATTLE COMMENTARY
8/12/2024

Higher close today would confirm Friday's upside reversal

December live cattle had a sharp reaction to the upside Friday, forming a potential important reversal higher if confirmed by a stronger close today. Short-term technical indicators had reached oversold levels and turned up late last week. Look for initial retracement resistance on December live cattle at 181.20. Cash trade was generally \$2-\$3 lower last week and we wouldn't be surprised if cash trade trends lower for the intermediate term. The 5-area, 5-day weighted average for last week was 191.10, down from 194.52 the previous week. The percentage of beef cows affected by drought has dropped to the lowest since 2020, according to Cattlefax. The estimated average dressed cattle weight last week was 842 pounds, down from 843 the previous week and up from 821 a year ago. The 5-year average weight for that week is 820 pounds. Estimated beef production last week was 496.9 million pounds, up from 493.8 million a year ago. The USDA estimated cattle slaughter came in at 104,000 head Friday and 3,000 head for Saturday. This brought the total for last week to 591,000 head, down from 593,000 the previous week and down from 602,975 a year ago. The USDA boxed beef cutout was up \$1.43 at mid-session Friday and closed 59 cents higher at \$312.71. This was down from \$313.77 the previous week.



Cattle positioning in the Commitments of Traders for the week ending August 6th showed Managed Money traders reduced their net long position by 21,911 contracts to a net long 53,802 contracts. CIT traders reduced their net long position by 342 contracts to a net long 83,505 contracts. Non-Commercial No CIT traders net sold 17,397 contracts and are now net long 34,084 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 14,028 contracts to a net long 55,194 contracts.

The Commitments of Traders report for the week ending August 6th showed Feeder Cattle Managed Money traders net sold 2,894 contracts which moved them from a net long to a net short position of 684 contracts. CIT traders are net long 4,184 contracts after net selling 446 contracts. Non-Commercial No CIT traders net sold 3,739 contracts and are now net short 9,841 contracts. Non-Commercial & Non-Reportable traders were net short 8,733 contracts after increasing their already short position by 1,629 contracts.

TODAY'S MARKET IDEAS:

December prices hit a new 4-month low Friday morning before reversing higher and closing very strong. November feeders formed a potential key reversal low today as well, both needing a higher close today to confirm. Stochastics reached oversold territory and is turning higher. Initial December live cattle retracement resistance is 181.20 and support today is 177.80.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 7/30/2024 - 8/6/2024		
Non-Commercial	Commercial	Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-6,941	-3,748	8,733	+1,628	-1,792	+2,119
Cattle	74,922	-18,510	-55,194	+14,028	-19,728	+4,482

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) 08/12/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day up is somewhat positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is 176.250. The next area of resistance is around 183.150 and 184.270, while 1st support hits today at 179.150 and below there at 176.250.

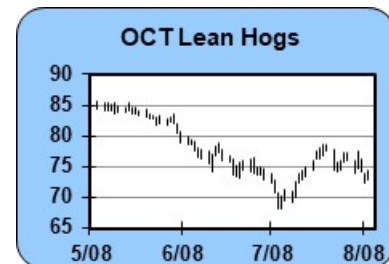
FEEDER CATTLE (SEP) 08/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. A positive signal was given by the outside day up. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is 234.850. The next area of resistance is around 244.424 and 246.149, while 1st support hits today at 238.775 and below there at 234.850.

DAILY HOGS COMMENTARY

8/12/2024

Technicals remain bearish after last week's Dec gap lower

December hogs finished last week with an inside day and cash prices weakened for the 5th day in a row, the biggest drop since September of last year. Resistance at Thursday's gap lower stands at 66.80 and prices need to close above that level to restart a rally. Seasonal trends tend to top in August and may provide overhead selling on rallies. Estimated US pork production last week was 501.0 million pounds, down from 519.2 the previous week and up from 489.9 a year ago. The CME Lean Hog Index as of August 8 was 91.90 down.90 from the previous session and down from 93.53 the previous week. The USDA estimated hog slaughter came in at 445,000 head Friday and 84,000 head for Saturday. This brought the total for last week to 2.372 million head, down from 2.455 million the previous week but up from 2.368 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$97.60, up 13 cents from Thursday but down from \$103.47 the previous week.



Hogs positioning in the Commitments of Traders for the week ending August 6th showed Managed Money traders net bought 3,957 contracts and are now net long 10,101 contracts. CIT traders added 3,608 contracts to their already long position and are now net long 91,887. Non-Commercial No CIT traders net bought 147 contracts and are now net short 22,137 contracts. Non-Commercial & Non-Reportable traders were net long 13,651 contracts after increasing their already long position by 1,668 contracts.

TODAY'S MARKET IDEAS:

The December gap down late last week keeps the bear camp in control, at least until prices can close above 66.80. Technical indicators are in neutral territory, offering little direction. Look for next support at 63.25 on December. 50-day moving average resistance stands at 68.80.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 7/30/2024 - 8/6/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	20,308	+2,240	-13,650	-1,667	-6,657	-572

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/12/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 72.250. The next area of resistance is around 74.720 and 75.320, while 1st support hits today at 73.200 and below there at 72.250.

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
MEAT COMPLEX										
LCV24	181.150	43.34	43.87	29.98	27.16	179.38	181.83	183.86	183.84	183.41
FCU24	241.600	31.36	32.60	14.71	12.62	239.63	245.97	251.75	256.40	257.35
LHV24	73.970	42.34	44.75	52.34	38.29	74.64	75.40	75.71	75.05	77.00

Calculations based on previous session. Data collected 08/09/2024

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	176.220	179.120	180.250	183.150	184.270
FCU24	Feeder Cattle	234.850	238.775	240.500	244.424	246.149
LHV24	Lean Hogs	72.220	73.170	73.770	74.720	75.320

Calculations based on previous session. Data collected 08/09/2024

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