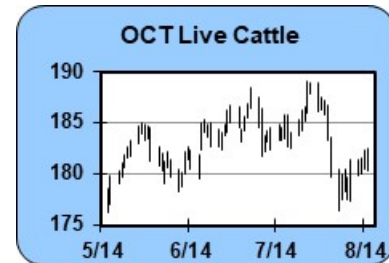




DAILY CATTLE COMMENTARY
8/16/2024

Cash trade so far this week down \$1-\$3 lower

A disappointing day for the bull camp in December live cattle yesterday as prices were unable to follow through from the strong close Wednesday and turned lower. Retracement resistance on December live cattle is 182.75. However, daily trading volume has been lower this week as the market has rallied, which may be an indication this week's upswing is simply a short covering bounce, rather than a new leg higher. There are reports of cash cattle trade in Iowa/Minnesota at \$191 and \$190 in Nebraska yesterday, which would be \$1-\$3 lower than last week. Cash trade in the South will develop today and is expected to be slightly lower than last week. The 5-area, 5-day weighted average for the week is now 189.16, down from 191.11 at the end of last week. The 90% lean cow beef prices had been trending sharply higher this year until last month when prices turned sideways/lower. This may be an initial signal that high-priced ground beef is seeing reduced consumer demand. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 476,000 head, down from 484,000 last week at this time and down from 491,155 a year ago. The USDA boxed beef cutout was up \$2.09 at mid-session yesterday and closed \$2.06 higher at \$316.94. This was up from \$312.12 the previous week.



U.S. beef export sales for the week ending August 8 came in at 28,100 tonnes compared with the average of the previous four weeks of 14,200 tonnes. Cumulative sales for the 28.1 have reached 622,600 tonnes, up 1.5% versus last year's pace.

TODAY'S MARKET IDEAS:

This week's strong gains ended yesterday as the market pulled back, despite very strong weekly export sales, but December live cattle remained inside Wednesday's trading range. Cash trade is likely to develop in the South today at slightly weaker prices than last week and may add pressure to the market today. Important 50% retracement resistance to the late July high is 182.75. Look for initial support at 179.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/16/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down puts the market on the defensive. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside

objective is 183.250. The next area of resistance is around 181.800 and 183.250, while 1st support hits today at 179.670 and below there at 178.950.

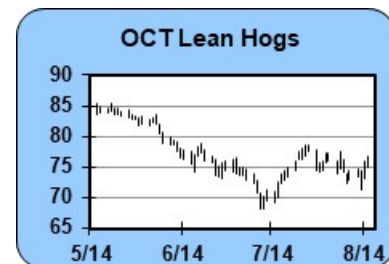
FEEDER CATTLE (SEP) 08/16/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 246.875. The next area of resistance is around 245.075 and 246.875, while 1st support hits today at 242.275 and below there at 241.275.

DAILY HOGS COMMENTARY

8/16/2024

Discount to cash supporting winter months

December hogs closed strong yesterday, even though weekly export sales were very poor, and December's large discount to cash may be supporting this rally. Cutout values were stronger yesterday. The 50-day moving average has been consistent resistance for the last several months and December touched the average again yesterday but has not been able to close above it since late April. The moving average stands at 68.22 today and a close above that may encourage further short covering and technical buying. We still see \$70 as an important resistance level on December. The CME Lean Hog Index as of August 13 was 90.18 down from 90.34 the previous session and from 93.10 the previous week. The USDA estimated hog slaughter came in at 479,000 head yesterday. This brings the total for the week so far to 1.925 million head, up from 1.843 million last week at this time and up from 1.892 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$98.93, up 86 cents from Wednesday and up from \$97.47 the previous week.



U.S. pork export sales for the week ending August 8 came in at 20,900 tonnes compared with the average of the previous four weeks of 30,000 tonnes. Cumulative sales for the 2024 marketing year have reached 1,262,700 tonnes, down 1.2% versus last year's pace.

TODAY'S MARKET IDEAS:

Another strong close in December hogs yesterday and prices hit and closed right on key 50-day moving average resistance at 68.22. A close above that level today may encourage additional technical buying. Long-term fundamental data continues to suggest rallies will have significant headwinds; however, the technical picture is strong and may push December up to the \$70 resistance level.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/16/2024: The major trend could be turning up with the close back above the 60-day moving average. Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 near-term upside target is at 78.200. The next area of resistance is around 77.500 and 78.200, while 1st support hits today at 75.500 and below there at 74.150.

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	180.750	44.01	44.27	32.71	35.18	180.91	180.02	183.13	183.85	183.40
FCU24	243.675	41.87	39.75	19.55	24.46	242.43	241.05	248.46	255.09	256.25
LHV24	76.500	57.72	54.56	45.74	54.06	74.90	74.88	75.79	74.75	76.38

Calculations based on previous session. Data collected 08/15/2024

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	178.920	179.650	181.070	181.800	183.250
FCU24	Feeder Cattle	241.275	242.275	244.075	245.075	246.875
LHV24	Lean Hogs	74.120	75.450	76.150	77.500	78.200

Calculations based on previous session. Data collected 08/15/2024

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