



# DAILY LIVESTOCK COMMENTARY

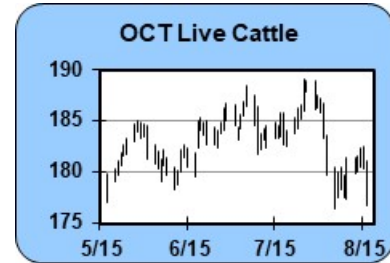
Monday August 19, 2024

## DAILY CATTLE COMMENTARY

8/19/2024

### Technical outlook weakened after last week

December live cattle prices took it on the chin late last week, nearly erasing all the gains since the upside reversal low on August 9. CFTC data showed managed Money reduced their net long by nearly 9000 contracts but still hold a significant long position of 45,000 contracts. If the market continues to sink and December live cattle take out the August lows of 176.10, further long liquidation could accelerate break. Cash trade was \$2-\$4 lower in the north and \$1-\$2 lower in the South. The 5-area, 5-day weighted average for last week was 188.26, down from 191.11 the prior week. The estimated average dressed cattle weight last week was 844 pounds, up from 842 the previous week and up from 823 a year ago. The 5-year average weight for that week is 822 pounds. Estimated beef production last week was 506.9 million pounds, up from 506.3 million a year ago. The USDA estimated cattle slaughter came in at 118,000 head Friday and 8,000 head for Saturday. This brought the total for last week to 602,000 head, up from 591,000 the previous week but down from 616,735 a year ago. The USDA boxed beef cutout was up 59 cents at mid-session Friday and closed 51 cents higher at \$317.45. This was up from \$312.71 the previous week.



Cattle positioning in the Commitments of Traders for the week ending August 13th showed Managed Money traders reduced their net long position by 8,910 contracts to a net long 44,892 contracts. CIT traders were net long 83,008 contracts after decreasing their long position by 497 contracts. Non-Commercial No CIT traders are net long 26,956 contracts after net selling 7,128 contracts. Non-Commercial & Non-Reportable traders were net long 46,737 contracts after decreasing their long position by 8,457 contracts.

### TODAY'S MARKET IDEAS:

Last week's bearish finish may spillover into this week and a weaker trend is expected. The reversal lows last week on August 9th in December live cattle were 176.10 and Friday's low was within \$0.40 of that level. If prices take out that low this week, the market could see a challenge of the 2024 lows made back in April at 175.35. Cattle on feed data will be released on Friday of this week.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 8/6/2024 - 8/13/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Livestock</b>						
Feeder Cattle	-8,835	-1,894	9,206	+473	-371	+1,421
Cattle	66,739	-8,183	-46,738	+8,456	-20,002	-274

**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) 08/19/2024:** A crossover down in the daily stochastics is a bearish signal. Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 174.300. The next area of resistance is around 180.450 and 182.920, while 1st support hits today at 176.150 and below there at 174.300.

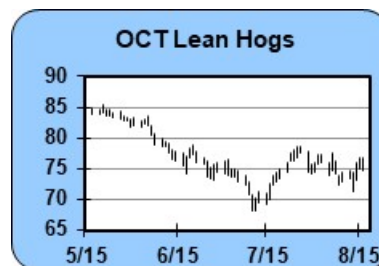
**FEEDER CATTLE (SEP) 08/19/2024:** The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next upside objective is 246.418. The next area of resistance is around 242.737 and 246.418, while 1st support hits today at 236.263 and below there at 233.469.

**DAILY HOGS COMMENTARY**

8/19/2024

**Last week's pork production up sharply from week prior**

December hogs finished last week with an inside day on Friday and may see some follow-through selling to start this week. The cash hog Index was down \$2.60 for the week and pork production was significantly higher last week than the week previous and that trend is likely continue through the 4th quarter. CFTC data showed Managed Money flipped from net long to a net short position of a little over 2000 contracts. Estimated US pork production last week was 529.1 million pounds, up from 503.3 the previous week and up from 503.3 a year ago. The CME Lean Hog Index as of August 14 was 90.20 up from 90.18 the previous session but down from 92.80 the previous week. The USDA estimated hog slaughter came in at 464,000 head Friday and 123,000 head for Saturday. This brought the total for last week to 2.512 million head, up from 2.383 million the previous week and up from 2.431 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$98.08, down 85 cents from Thursday but up from \$97.60 the previous week.



The August 13th Commitments of Traders report showed Hogs Managed Money traders net sold 12,370 contracts which moved them from a net long to a net short position of 2,269 contracts. CIT traders are net long 91,994 contracts after net buying 107 contracts. Non-Commercial No CIT traders are net short 27,544 contracts after net selling 5,407 contracts. Non-Commercial & Non-Reportable traders net sold 5,500 contracts and are now net long 8,151 contracts.

**TODAY'S MARKET IDEAS:**

Hog open interest is at its lowest level since February of this year and Friday's trading volume was the lowest since May 24th. Significant resistance remains above the market at the \$70 level on December and retracement support comes in at 65.95 and 65.35. Look for rallies to be selling opportunities.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**Commitment of Traders - Futures and Options - 8/6/2024 - 8/13/2024**

Non-Commercial		Commercial		Non-Reportable	
Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change

Livestock						
Hogs	13,378	-6,930	-8,150	+5,500	-5,227	+1,430

## PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/19/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside objective is at 77.420. The next area of resistance is around 76.100 and 77.420, while 1st support hits today at 74.070 and below there at 73.350.

## 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	178.300	35.70	38.46	31.70	29.67	180.48	179.94	182.70	183.79	183.32
FCU24	239.500	33.91	34.57	20.08	21.13	242.43	240.86	247.40	254.67	255.89
LHV24	75.070	49.83	49.52	49.21	56.15	75.09	74.81	75.67	74.71	76.23

Calculations based on previous session. Data collected 08/16/2024

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	174.270	176.120	178.600	180.450	182.920
FCU24	Feeder Cattle	233.468	236.262	239.943	242.737	246.418
LHV24	Lean Hogs	73.320	74.020	75.370	76.100	77.420

Calculations based on previous session. Data collected 08/16/2024

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