

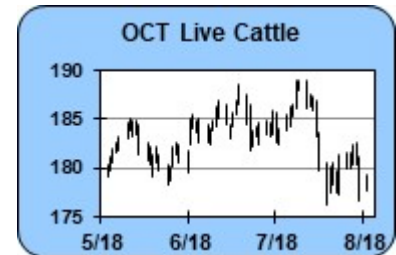


DAILY LIVESTOCK COMMENTARY Tuesday August 20, 2024

DAILY CATTLE COMMENTARY 8/20/2024

Cattle on Feed report Friday afternoon

Live cattle trade yesterday was quiet, and December prices stayed within the large daily trading range seen on Friday. Labor Day is approaching, the last major grilling holiday of the year, and consumer beef demand may trend lower into fall. VP Harris's price control plans released late last week may be partly to blame for the significant selloff on Friday as retail beef prices are record high. December live cattle support is 176.10. This week's kill is expected to be near 605,000 head, down from 602,000 last week. Cash cattle trade was not established yesterday and the 5-area, 5-day weighted average remains at 188.69, up from 189.66 at the end of last week. The USDA estimated cattle slaughter came in at 117,000 head yesterday. This was up from 112,000 last week but down from 122,983 a year ago. The USDA boxed beef cutout was down 70 cents at mid-session yesterday and closed \$1.90 lower at \$315.55. This was down from \$315.83 the previous week. Showlist sizes this week are expected up 641 in Texas to 85,112, down 4924 in KS to 86,779 and down 604 in Neb/CO at 68,088. USDA boxed beef cutout came in at 316.75 at midday, down.70 from Friday.



TODAY'S MARKET IDEAS:

Friday's Cattle on Feed is expected at 100% of last year, placements at 104% and marketings 108%. Packers may delay bids until later in the week to see if the weak technical action will pull futures further down. Consumer beef demand is slipping. Key support for December live cattle stands at the August low of 176.10. A fall below that level would open the door for a test of the contract lows on December live cattle at 172.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/20/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 177.150. The next area of resistance is around 179.820 and 180.370, while 1st support hits today at 178.220 and below there at 177.150.

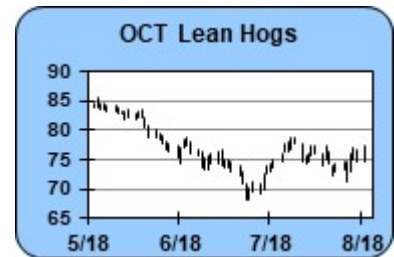
FEEDER CATTLE (SEP) 08/20/2024: The daily stochastics have crossed over down which is a bearish indication. Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 236.175. The next area of resistance is around 240.825 and 242.375, while 1st support hits today at 237.725 and below there at 236.175.

DAILY HOGS COMMENTARY

8/20/2024

Futures rally defies weaker cash and cutout prices

December hogs turned higher out of the gate yesterday and closed at a 2-week high. The cash hog index continues to slip lower as does the cutout. December prices closed above the 20-day and 50-day moving averages, suggesting a run to resistance at \$70. Look for initial support at 67.25. The CME Lean Hog Index as of August 15 was 90.09 down from 90.20 the previous session and from 91.90 the previous week. The USDA estimated hog slaughter came in at 483,000 head yesterday. This was unchanged from last week but up from 469,938 a year ago.



TODAY'S MARKET IDEAS:

Stochastics is pointing higher after the strong close yesterday and points to a test of \$70, where we expect significant resistance. The December discount to cash is likely a supportive factor for futures prices. US pork production is expected to stay very strong through the end of the year. Look for support on December hogs is 67.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/20/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 78.920. The next area of resistance is around 78.050 and 78.920, while 1st support hits today at 75.550 and below there at 73.900.

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	179.020	39.50	40.93	30.49	28.08	180.05	179.94	182.30	183.73	183.22
FCU24	239.275	33.52	34.32	19.53	18.45	241.70	240.71	246.43	254.25	255.48
LHV24	76.770	57.71	54.94	54.99	66.54	76.08	74.85	75.61	74.73	76.11

Calculations based on previous session. Data collected 08/19/2024

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	177.120	178.200	178.750	179.820	180.370
FCU24	Feeder Cattle	236.174	237.725	239.275	240.825	242.375
LHV24	Lean Hogs	73.870	75.520	76.400	78.050	78.920

Calculations based on previous session. Data collected 08/19/2024

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