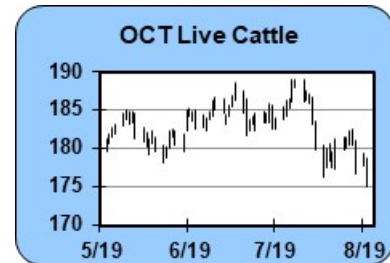




DAILY CATTLE COMMENTARY
8/21/2024

Dec live cattle hit new low for 2024

Cattle futures seem to be pricing in the chance for government intervention into food prices after the anti-price gouging plan from VP Harris late last week spurred heavy selling. The plans details are slim, but traders know retail beef and ground beef prices have been record high and may come under government scrutiny if VP Harris is elected. Adding to the weakness, cash cattle trade was reported yesterday at mostly \$1-\$2 lower than last week in the South and \$3 lower in the north. Furthermore, China's beef demand is expected to have the smallest year-over-year growth in 10 years due to their economic slowdown. December live cattle hit a new low for the year yesterday and may sink to the contract low at 172.25 made back in early December 2023. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 241,000 head, up from 234,000 last week at this time but down from 247,450 a year ago. The USDA boxed beef cutout was down \$1.89 at mid-session yesterday and closed 47 cents lower at \$315.08. This was down from \$316.93 the previous week.



TODAY'S MARKET IDEAS:

Managed Money longs appear to be throwing in the towel as live cattle prices moved to a new low for the year in the December contract. Fears of government scrutiny of beef prices, lower cash trade and aggressive fund selling have the bear camp in control. December 2023 lows in the December live cattle contract at 172.25 looks to be the next major support. Friday's Cattle on Feed is expected at 100% of last year, placements at 104% and marketings 108%.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/21/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 172.420. The next area of resistance is around 177.500 and 180.100, while 1st support hits today at 173.670 and below there at 172.420.

FEEDER CATTLE (SEP) 08/21/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 228.382. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area

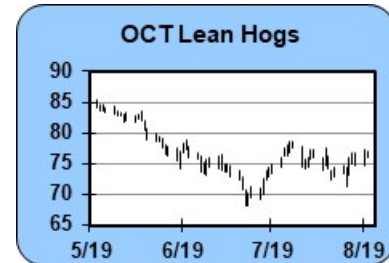
of resistance is around 238.012 and 242.431, while 1st support hits today at 230.988 and below there at 228.382.

DAILY HOGS COMMENTARY

8/21/2024

Cash and cutout support pork in face of beef weakness

Slightly higher cash trade and cutout values kept hog prices from reacting in sympathy with the sharply lower beef market yesterday. December hogs closed right on the 20 and 50-day moving averages and a move above this week's high at 68.95 would point to a test of the July highs just over \$70. Look for initial support at 67.25. The CME Lean Hog Index as of August 16 was 89.95 down from 90.09 the previous session and from 90.92 the previous week. The USDA estimated hog slaughter came in at 482,000 head yesterday. This brings the total for the week so far to 965,000 head, unchanged from last week at this time but up from 944,483 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$96.61, up 42 cents from Monday but down from \$99.42 the previous week. Iowa/southern Minnesota direct weekly average hog weights for the week ending 8/17 was 281.1 pounds, near unchanged from last week at 281.0 and above a year ago at 278.3.



TODAY'S MARKET IDEAS:

Sharp weakness in the beef market yesterday may have put some minor pressure on hogs but they were able to hold their own and December still has a chance to test resistance just over \$70. Look for 1st support at 67.25 and then 66.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/21/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 77.270. The next area of resistance is around 76.820 and 77.270, while 1st support hits today at 76.000 and below there at 75.620.

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	175.570	30.05	33.99	27.11	20.36	178.42	179.53	181.58	183.52	183.08
FCU24	234.500	26.36	29.30	17.82	14.40	239.24	240.22	245.13	253.62	255.01
LHV24	76.400	55.44	53.51	60.53	71.61	76.19	75.05	75.53	74.73	76.01

Calculations based on previous session. Data collected 08/20/2024

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	172.400	173.650	176.250	177.500	180.100
FCU24	Feeder Cattle	228.381	230.987	235.406	238.012	242.431
LHV24	Lean Hogs	75.600	75.970	76.450	76.820	77.270

Calculations based on previous session. Data collected 08/20/2024

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