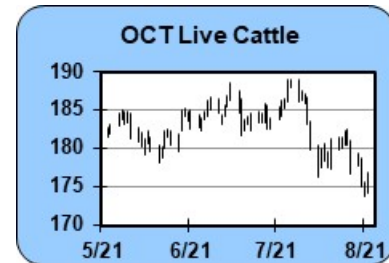




DAILY CATTLE COMMENTARY
8/23/2024

Cattle On Feed Report this afternoon

December live cattle futures rallied yesterday after the sharp selloff earlier this week. Look for retracement resistance in December live cattle at 177.62. Cash cattle trade in Kansas was \$183 and \$184 in Nebraska. This afternoon's Cattle on Feed report is expected to show 100% of last year on feed, 104% placed and 108.2% marketed during July. There were 2 additional weekdays this July compared to a year ago and that is likely the reason for the higher marketings expectation. The 5-area, 5-day weighted average for the week is now 187.23, down from 188.68 at the end of last week. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 484,000 head, up from 476,000 last week at this time but down from 490,777 a year ago. Next week's slaughter is expected to be 5000-10,000 head larger than this week and cash ideas are steady/lower. The USDA boxed beef cutout was up \$1.35 at mid-session yesterday and closed 78 cents higher at \$315.99. This was down from \$316.94 the previous week.



TODAY'S MARKET IDEAS:

December live cattle prices dropped \$9 from last week's high to this week's low and prices could see a further recovery today in front of this afternoon's Cattle on Feed report, which will dictate market direction early next week. 50% retracement resistance to last week's high stands at 177.62. Key support remains at 172.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/23/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The next downside target is now at 173.020. The next area of resistance is around 177.220 and 178.350, while 1st support hits today at 174.570 and below there at 173.020.

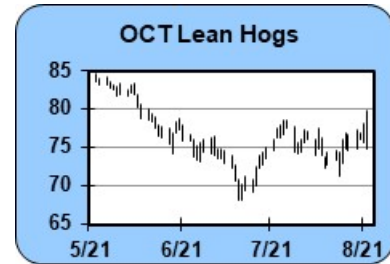
FEEDER CATTLE (OCT) 08/23/2024: A bullish signal was given with an upside crossover of the daily stochastics. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 238.212. The next area of resistance is around 236.450 and 238.212, while 1st support hits today at 232.050 and below there at 229.413.

DAILY HOGS COMMENTARY

8/23/2024

Surprise heavy buying lifts futures to new high for August

December hogs had a surprisingly strong rally and strong close yesterday after opening lower. Daily hog trading volume was the highest so far this month. We have heard talk that the Canadian railway strike had something to do with yesterday's rally but are doubtful that was a major factor. However, if the strike is the reason, expect sharply lower action today as the Canadian government has forced the workers back to work. Whatever the real reason, whether rising cutout or the strike or some other news, yesterday's strong close brightened the technical picture and if prices can close over the 2-month high at 70.55 on



December, a run to next resistance at 72.25 would be possible. The CME Lean Hog Index as of August 20 was 89.21 down from 89.71 the previous session and from 90.18 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 1.928 million head, up from 1.925 million last week at this time and up from 1.874 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$95.31, up \$1.89 from Wednesday but down from \$98.93 the previous week.

U.S. pork export sales for the week ending August 15 came in at 19,300 tonnes compared with the average of the previous four weeks of 29,400 tonnes. Cumulative sales for the 2024 marketing year have reached 1,282,000 tonnes, down 1.7% versus last year's pace.

TODAY'S MARKET IDEAS:

Buyers aggressively stepped up yesterday and December prices closed at a new high for the month, testing the 2-month high at 70.55 on the highest daily trading volume this month. A move above strong resistance at \$70 opens the door for further technical rally potential to moving average resistance at 72.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/23/2024: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up is somewhat positive. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 83.320. The next area of resistance is around 82.020 and 83.320, while 1st support hits today at 77.200 and below there at 73.650.

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	175.900	34.74	36.71	22.21	19.17	176.29	178.57	180.20	183.12	182.79
FCV24	234.250	34.34	33.43	14.01	16.34	233.28	236.64	240.63	251.62	253.62
LHV24	79.620	67.59	62.32	70.08	81.95	77.24	75.96	75.68	74.71	75.84

Calculations based on previous session. Data collected 08/22/2024
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	173.020	174.550	175.670	177.220	178.350
FCV24	Feeder Cattle	229.412	232.049	233.812	236.450	238.212
LHV24	Lean Hogs	73.620	77.170	78.470	82.020	83.320

Calculations based on previous session. Data collected 08/22/2024
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