

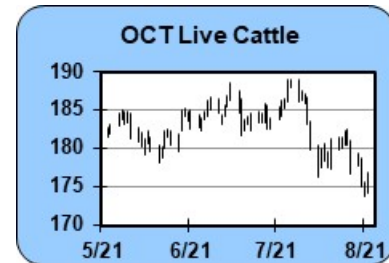


DAILY LIVESTOCK COMMENTARY Monday August 26, 2024

DAILY CATTLE COMMENTARY 8/26/2024

Cattle On Feed mildly bearish on higher placements

Friday's Cattle on Feed report was mildly bearish due to slightly higher placements than expected and a lower start is expected this morning. Beef in cold storage at the end of July was 99% of last year, similar to expectations. December live cattle futures closed slightly lower Friday but down \$15 from the peak in late July. Cash trade Friday in the north was slightly lower than trade earlier in the week. The 5-area, 5-day weighted average for last week ended at 185.22, down from 188.68 the previous week. December live cattle has resistance at the 50% retracement level to the mid-August highs at 177.60. Look for support today at 173.80. The USDA estimated cattle slaughter came in at 113,000 head Friday and 11,000 head for Saturday. This brought the total for last week to 608,000 head, up from 602,000 the previous week but down from 626,595 a year ago. The USDA boxed beef cutout was up \$2.37 at mid-session Friday and closed \$1.35 higher at \$317.34. This was down from \$317.45 the previous week. The previous low was \$315.99 on August 22. The previous high was \$317.45 on August 16. The estimated average dressed cattle weight last week was 847 pounds, up from 844 the previous week and up from 824 a year ago. The 5-year average weight for that week is 824 pounds. Estimated beef production last week was 513.9 million pounds, down from 515.2 million a year ago.



The USDA Cattle on Feed Report showed placements for the month of July at 105.8% versus trade expectations of 104.1% and a range of 101.9% to 105.9%. Marketings for July came in at 107.7% of last year as compared with the average estimate of 108.3% and a range of 107.8% to 109.0%. Cattle on Feed supply as of August 1st came in at 100.3% of last year versus average trade estimate of 100.1% with a range of 99.8% to 100.5%.

Today's Cold Storage report has July has total red meat supplies in freezers down 3 percent from the previous month and down 3 percent from last year. Total pounds of beef in freezers were down slightly from the previous month and down 1 percent from last year.

Cattle positioning in the Commitments of Traders for the week ending August 20th showed Managed Money traders net sold 3,396 contracts and are now net long 41,496 contracts. CIT traders net bought 2,372 contracts and are now net long 85,380 contracts. Non-Commercial No CIT traders reduced their net long position by 2,835 contracts to a net long 24,121 contracts. Non-Commercial & Non-Reportable traders net sold 3,075 contracts and are now net long 43,662 contracts.

TODAY'S MARKET IDEAS:

USDA's Cattle on Feed showed a bearish placement number and opening calls this morning are slightly weaker. Frozen beef stocks were 1% lower than last year. The increased possibility of Fed rate cuts did not offer any macro support Friday. Today will be a good test for the bull camp to see if the market can close higher despite the mildly bearish USDA report Friday. 50% retracement resistance to last week's high stands at 177.60. Key contract low support remains at 172.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 8/13/2024 - 8/20/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-10,634	-1,799	10,071	+865	563	+934
Cattle	64,711	-2,028	-43,663	+3,075	-21,049	-1,047

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) 08/26/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 174.670. The next area of resistance is around 176.300 and 177.050, while 1st support hits today at 175.120 and below there at 174.670.

FEEDER CATTLE (OCT) 08/26/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 236.643. The next area of resistance is around 235.412 and 236.643, while 1st support hits today at 233.338 and below there at 232.494.

DAILY HOGS COMMENTARY

8/26/2024

July frozen pork supplies down 4% from year ago

December hogs continued their surprising strength Friday, closing at their highest level since June 18th. Frozen pork supplies at the end of July were lower than expected and may result in a price boost on the opening this morning. On the technical side, Friday's close above the July highs at 70.55 are a positive sign and suggest a run to moving average resistance at 72.15. Friday's Cold Storage report had July frozen pork supplies down 5 percent from the previous month and down 4 percent from last year. Stocks of pork bellies were down 30 percent from last month and down 17 percent from last year. The CME Lean Hog Index as of August 21 was 88.83 down from 89.21 the previous session and from 90.20 the previous week. The USDA estimated hog slaughter came in at 479,000 head Friday and 96,000 head for Saturday. This brought the total for last week to 2.503 million head, down from 2.512 million the previous week but up from 2.494 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$98.35, up \$3.04 from Thursday and up from \$98.08 the previous week. Estimated US pork production last week was 526.3 million pounds, down from 529.1 the previous week and up from 512.1 a year ago.



Hogs positioning in the Commitments of Traders for the week ending August 20th showed Managed Money traders went from a net short to a net long position of 7,315 contracts after net buying 9,584 contracts. CIT traders are net long 96,566 contracts after net buying 4,572 contracts. Non-Commercial No CIT traders are net short 25,643 contracts after net buying 1,901 contracts. Non-Commercial & Non-Reportable traders net bought 2,641 contracts and are now net long 10,792 contracts.

TODAY'S MARKET IDEAS:

Bullish technicals appear to be driving December hog strength and prices could run up to the next resistance at

72.15 On December. Cash hog prices were higher for the 3rd consecutive week. If the current 2-week rally is similar in price to the rally seen in late July, a further bounce of at least \$2 is projected on December before prices run into significant fundamental headwinds.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 8/13/2024 - 8/20/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	18,631	+5,253	-10,792	-2,642	-7,839	-2,612

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/26/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 81.820. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 81.270 and 81.820, while 1st support hits today at 79.820 and below there at 78.900.

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	175.700	34.17	36.32	21.52	20.14	175.46	178.09	179.54	182.94	182.67
FCV24	234.375	34.78	33.72	16.46	21.35	232.91	236.26	239.44	251.01	253.15
LHV24	80.520	70.23	64.42	75.93	87.63	78.18	76.65	76.00	74.80	75.81

Calculations based on previous session. Data collected 08/23/2024

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	174.650	175.100	175.850	176.300	177.050
FCV24	Feeder Cattle	232.493	233.337	234.568	235.412	236.643
LHV24	Lean Hogs	78.870	79.800	80.350	81.270	81.820

Calculations based on previous session. Data collected 08/23/2024

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