



DAILY LIVESTOCK COMMENTARY

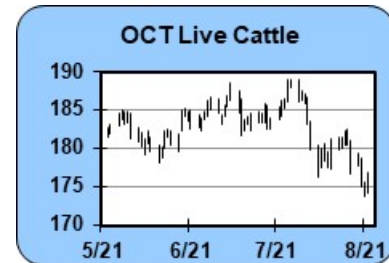
Friday August 30, 2024

DAILY CATTLE COMMENTARY

8/30/2024

Pullback possible on weak cutout lack of cash bids

December cattle were weaker yesterday as the futures rally earlier this week did not spark higher cash trade. Worries consumer beef demand is struggling seem to be confirmed by reduced restaurant sales. Cash trade yesterday developed in the major feeding areas at steady to a \$1.50 lower in the South and up to \$3 lower in the north. The 5-area, 5-day weighted average for the week is now 183.50 compared to 184.92 at the end of last week. December live cattle 50% retracement support at 176.15 held for the most part yesterday but if the break extends, a further pullback to 175.45 is possible. The USDA estimated cattle slaughter came in at 123,000 head Thursday. This brings the total for the week so far to 477,000 head, down from 484,000 last week at this time and down from 499,284 a year ago. The USDA boxed beef cutout was up 94 cents at mid-session Thursday and closed \$1.37 higher at \$308.66. This was down from \$315.99 the previous week. The previous low was \$307.29 on August 28. The previous high was \$311.97 on August 27.



U.S. beef export sales for the week ending August 22 came in at 17,200 tonnes compared with the average of the previous four weeks of 17,900 tonnes. Cumulative sales for the 17.2 have reached 655,600 tonnes, up 2.0% versus last year's pace.

TODAY'S MARKET IDEAS:

Live cattle were weak yesterday in the face of a significant rally in the stock market and that is worrisome for the bull camp. Earlier this week, cash trade looked like it may be higher due to the futures rally, but yesterday's trade was lower than last week instead, another disappointment for the bulls. December live cattle futures pullback support stands at 176.15 and 175.45. Look for nearby moving average resistance at 177.75 today.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 08/30/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 178.920. The next area of resistance is around 178.370 and 178.920, while 1st support hits today at 177.400 and below there at 176.950.

FEEDER CATTLE (OCT) 08/30/2024: Momentum studies are rising from mid-range, which could accelerate a

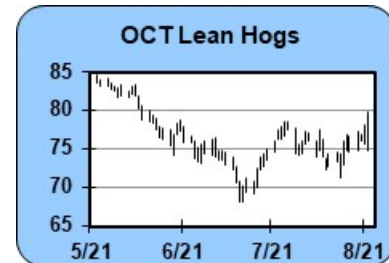
move higher if resistance levels are penetrated. The intermediate trend has turned down with the cross over back below the 18-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside target is 238.593. The next area of resistance is around 237.537 and 238.593, while 1st support hits today at 235.813 and below there at 235.144.

DAILY HOGS COMMENTARY

8/30/2024

Strong technical action but market overbought

The strong technical picture has driven December hogs higher all week. In addition, weekly exports were very strong, and talk continues the consumer may be turning to more pork due to high beef prices. December hogs are very close to the 61.8% retracement from the April highs to the July lows, which stands at 72.80. Beyond that, 200-day moving average resistance stands at 73.90. While the chart outlook remains bullish, prices are well into overbought territory. The CME Lean Hog Index as of August 27 was 87.45 down from 87.82 the previous session and from 89.21 the previous week. The USDA estimated hog slaughter came in at 485,000 head Thursday. This brings the total for the week so far to 1.916 million head, down from 1.928 million last week at this time but up from 1.899 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$95.32, up \$1.16 from Wednesday and up from \$95.31 the previous week. The previous low was \$94.16 on August 28. The previous high was \$98.35 on August 23.



U.S. pork export sales for the week ending August 22 came in at 42,200 tonnes compared with the average of the previous four weeks of 26,800 tonnes. Cumulative sales for the 2024 marketing year have reached 1,324,300 tonnes, down 1.6% versus last year's pace.

TODAY'S MARKET IDEAS:

December hogs closed above 100-day moving average resistance yesterday but stopped just short of the retracement resistance at 72.80. The current \$9 rally in the last 2 1/2 weeks has now equaled the rally seen in the last half of July. In addition, prices are deep into overbought territory, and we expect the rally may be close to running its course. Important 200-day moving average resistance stands at 73.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/30/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside daily closing price reversal gives the market a bullish tilt. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 83.100. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 82.750 and 83.100, while 1st support hits today at 81.600 and below there at 80.770.

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	177.900	45.75	44.31	36.94	44.79	178.23	177.08	178.51	182.38	182.48
FCV24	236.675	42.91	39.86	39.80	49.65	237.78	235.40	237.12	248.93	251.71
LHV24	82.150	72.57	66.95	89.04	93.90	81.58	79.54	77.17	75.40	75.78

Calculations based on previous session. Data collected 08/29/2024

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	176.920	177.370	177.920	178.370	178.920
FCV24	Feeder Cattle	235.143	235.812	236.868	237.537	238.593
LHV24	Lean Hogs	80.750	81.570	81.920	82.750	83.100

Calculations based on previous session. Data collected 08/29/2024

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