



DAILY LIVESTOCK COMMENTARY

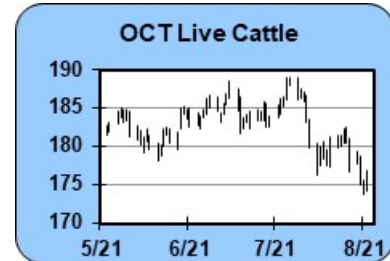
Tuesday September 03, 2024

DAILY CATTLE COMMENTARY

9/3/2024

Consumer demand questions may limit rallies

December live cattle closed stronger Friday but faces headwinds on a further rally with increasing carcass weights and continued concerns about consumer demand. Look for resistance at last week's high of 179.12 on December. Cash cattle trade was weaker last week and the 5-area, 5-day weighted average for the week was 183.57, down from 185.19 the previous week. The estimated average dressed cattle weight last week was 849 pounds, up from 847 the previous week and up from 825 a year ago. The 5-year average weight for that week is 825 pounds. Estimated beef production last week was 517.8 million pounds, down from 518.9 million a year ago. The USDA estimated cattle slaughter came in at 120,000 head Friday and 14,000 head for Saturday. This brought the total for last week to 611,000 head, up from 608,000 the previous week but down from 630,514 a year ago. The USDA boxed beef cutout was up 61 cents at mid-session Friday and closed 68 cents higher at \$309.34. This was down from \$317.34 the previous week.



The August 27th Commitments of Traders report showed Cattle Managed Money traders net sold 3,482 contracts and are now net long 38,014 contracts. CIT traders are net long 86,656 contracts after net buying 1,276 contracts. Non-Commercial No CIT traders were net long 19,962 contracts after decreasing their long position by 4,159 contracts. Non-Commercial & Non-Reportable traders were net long 41,713 contracts after decreasing their long position by 1,949 contracts.

TODAY'S MARKET IDEAS:

December live cattle prices closed midrange last week and resistance is expected at last week's high of 179.12. Pullback support stands at 176.15 and 175.45. Demand questions, weak cash and higher carcass weights may pressure prices to start the week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 8/20/2024 - 8/27/2024 | | | | | | |
|---|----------------|-------------------|------------|----------------|-------------------|--------|
| Livestock | Non-Commercial | | Commercial | Non-Reportable | | |
| | Net Position | Weekly Net Change | | Net Position | Weekly Net Change | |
| Feeder Cattle | -8,580 | +2,054 | 8,849 | -1,222 | -269 | -832 |
| Cattle | 61,377 | -3,334 | -41,714 | +1,949 | -19,664 | +1,385 |

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.

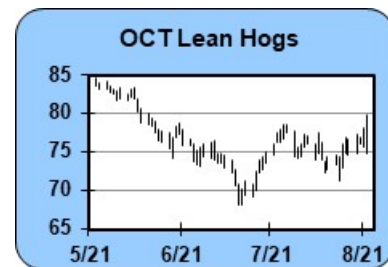
LIVE CATTLE (OCT) 09/03/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 180.500. The next area of resistance is around 179.520 and 180.500, while 1st support hits today at 177.670 and below there at 176.770.

FEEDER CATTLE (OCT) 09/03/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 240.168. The next area of resistance is around 239.012 and 240.168, while 1st support hits today at 236.488 and below there at 235.119.

DAILY HOGS COMMENTARY
9/3/2024

Overbought conditions suggest pullback this week

December hogs closed very strong late last week and CFTC data showed Managed Money bought over 21,000 contracts as of Tuesday of last week, extending their net long position to 29,000 contracts. Last week's strong export sales were 1 of the catalysts for the strong rally. The heavy Managed Money buying may be close to running its course as the current December price rally has reached equal legs to the rally seen in the last half of July. Key 200-day moving average resistance is 73.90. Technicals are strong but very overbought and suggest a pullback is due this week. Estimated US pork production last week was 509.7 million pounds, down from 526.3 the previous week and up from 491.1 a year ago. The CME Lean Hog Index as of August 28 was 87.04 down from 87.45 the previous session and from 88.83 the previous week. The USDA estimated hog slaughter came in at 476,000 head Friday and 37,000 head for Saturday. This brought the total for last week to 2.429 million head, down from 2.503 million the previous week but up from 2.387 million a year ago. The USDA pork cutout, released after the close Friday, came in at \$96.77, up \$1.45 from Thursday but down from \$98.35 the previous week.



The Commitments of Traders report for the week ending August 27th showed Hogs Managed Money traders are net long 28,661 contracts after net buying 21,346 contracts. CIT traders were net long 101,292 contracts after increasing their already long position by 4,726 contracts. Non-Commercial No CIT traders reduced their net short position by 12,233 contracts to a net short 13,410 contracts. Non-Commercial & Non-Reportable traders are net long 26,339 contracts after net buying 15,547 contracts.

TODAY'S MARKET IDEAS:

December hogs made a new daily high for 8 consecutive sessions and prices are reaching deeply overbought territory. The 200-day moving average stands at 73.90 and should provide significant resistance. The current rally appears to be getting a bit long in the tooth, having equaled the price gains seen in the last half of July. Look for pullback support at 70.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 8/20/2024 - 8/27/2024 | | | | | |
|---|----------------|--------------|------------|--------------|----------------|
| | Non-Commercial | | Commercial | | Non-Reportable |
| | Weekly | | Weekly | | Weekly |
| Net Position | Net Change | Net Position | Net Change | Net Position | Net Change |
| | | | | | |

| Livestock | | | | | | |
|-----------|--------|---------|---------|---------|--------|--------|
| Hogs | 35,511 | +16,880 | -26,339 | -15,547 | -9,172 | -1,333 |

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/03/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 83.400. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 82.750 and 83.400, while 1st support hits today at 81.700 and below there at 81.270.

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 | 178.570 | 49.14 | 46.52 | 40.72 | 48.27 | 178.63 | 177.04 | 178.49 | 182.23 | 182.45 |
| FCV24 | 237.750 | 46.82 | 42.35 | 44.15 | 52.84 | 237.84 | 235.61 | 237.05 | 248.39 | 251.38 |
| LHV24 | 82.220 | 72.74 | 67.07 | 90.60 | 93.71 | 82.04 | 80.14 | 77.50 | 75.57 | 75.83 |

Calculations based on previous session. Data collected 08/30/2024

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 | 176.750 | 177.650 | 178.620 | 179.520 | 180.500 |
| FCV24 | Feeder Cattle | 235.118 | 236.487 | 237.643 | 239.012 | 240.168 |
| LHV24 | Lean Hogs | 81.250 | 81.670 | 82.320 | 82.750 | 83.400 |

Calculations based on previous session. Data collected 08/30/2024

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