

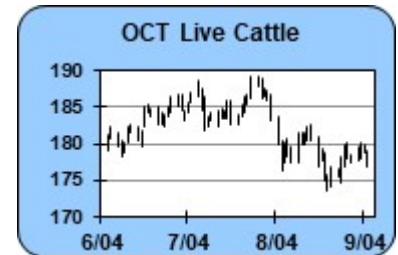


DAILY CATTLE COMMENTARY

9/6/2024

Weekly beef export sales were disappointing

December live cattle and feeders came under significant pressure after the opening yesterday and the break was tied to reports of up to 50 cattle deaths in Wyoming from anthrax. Anthrax is found in the soil and is not contagious and we doubt that was the main reason for yesterday's break. Weaker cash trade yesterday was also a negative factor as trade in the South was \$2 lower than last week and \$3 lower in the north. The 5 - area, 5 - day weighted average for the week is now 182.98, compared to 183.57 last week. The 2-week futures rally looks to have run its course and a new leg lower may be developing. The USDA estimated cattle slaughter came in at 124,000 head Thursday. This brings the total for the week so far to 376,000 head, down from 477,000 last week at this time and down from 386,589 a year ago. The USDA boxed beef cutout was up 73 cents at mid-session Thursday and closed 9 cents lower at \$311.51. This was up from \$307.29 the previous week.



Weekly beef export sales showed net sales of 16,500 MT for 2024 were down 4 percent from the previous week and 7 percent from the prior 4-week average. Increases were primarily for Japan (7,700 MT, including decreases of 200 MT), Taiwan (2,100 MT), South Korea (1,600 MT, including decreases of 400 MT), Mexico (1,400 MT, including decreases of 100MT), and China (800 MT, including decreases of 100 MT). Exports of 14,900 MT were up 1 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Japan (3,600 MT), South Korea (3,200MT), China (1,900 MT), Mexico (1,600 MT), and Taiwan (1,300 MT).

TODAY'S MARKET IDEAS:

December live cattle prices tested the 50% retracement support at 176.35 yesterday and additional retracement support stands at 175.60. However, the technical outlook appears to be weakening, and prices may drop further and test the August lows at 173.17. The path of least resistance appears lower.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (OCT) 09/06/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The close below the 2nd swing support number puts the market on the defensive. The near-term upside objective is at 179.970. The next area of resistance is around 178.420 and 179.970, while 1st support hits today at 176.070 and below there at 175.250.

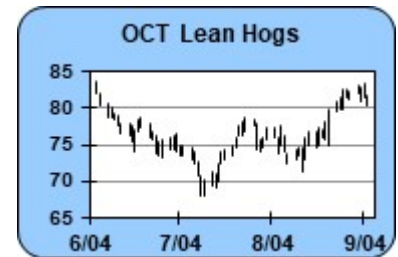
FEEDER CATTLE (OCT) 09/06/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 2nd swing support number puts the market on the defensive. The near-term upside objective is at 238.637. The next area of resistance is around 236.400 and 238.637, while 1st support hits today at 232.750 and below there at 231.338.

DAILY HOGS COMMENTARY

9/6/2024

Daily reversal down Wednesday points to further weakness

After Wednesday's reversal lower in December hogs, prices followed through to the downside yesterday and the pullback may continue. Weekly export sales this morning came back down to earth after 2 weeks of very strong sales. Consumers may be looking for cheaper protein alternatives than beef and that could be an underlying supportive factor over the intermediate term but for now, technical action suggests further weakness. Look for 50% pullback support on December at 68.80. The CME Lean Hog Index as of September 3 was 86.27 up from 86.15 the previous session but down from 87.82 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 1.456 million head, down from 1.916 million last week at this time but up from 1.419 million a year ago. The USDA pork cutout, released after the close Thursday, came in at \$94.13, up 1 cents from Wednesday but down from \$94.16 the previous week.



Weekly pork export sales came in at net sales of 20,800 MT for 2024 were down 51 percent from the previous week and 29 percent from the prior 4-week average. Increases were primarily for Mexico (10,000 MT, including decreases of 300 MT), Colombia (1,900 MT, including decreases of 10MT), Japan (1,600 MT, including decreases of 200 MT), Australia (1,500 MT), and South Korea (1,400 MT, including decreases of 400 MT). Exports of 28,000 MT were down 5 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (12,500 MT), Japan (4,300MT), China (2,300 MT), South Korea (2,000 MT), and Colombia (1,700 MT).

TODAY'S MARKET IDEAS:

December hogs have begun a pullback after the daily downside reversal Wednesday was confirmed with a lower close yesterday, following the recent \$10 rally since mid-August. The pullback has retracement support at 70.10 and 68.80. Short-term technical indicators have given a sell signal, and further weakness is expected after prices stalled at the 200-day moving average this week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 09/06/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 79.600. The next area of resistance is around 81.350 and 82.220, while 1st support hits today at 80.050 and below there at 79.600.

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	177.250	42.22	42.75	50.38	53.82	178.59	178.11	178.34	181.81	182.35
FCV24	234.575	38.11	37.97	52.94	54.66	237.28	237.18	236.91	246.88	250.38
LHV24	80.700	57.61	58.70	88.63	83.58	81.76	81.54	78.75	76.03	75.98

Calculations based on previous session. Data collected 09/05/2024

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	175.220	176.050	177.600	178.420	179.970
FCV24	Feeder Cattle	231.337	232.750	234.987	236.400	238.637
LHV24	Lean Hogs	79.570	80.020	80.900	81.350	82.220

Calculations based on previous session. Data collected 09/05/2024

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