



## DAILY LIVESTOCK COMMENTARY

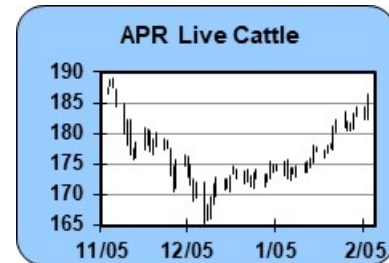
Wednesday February 07, 2024

### DAILY CATTLE COMMENTARY

2/7/2024

#### Uptrend resumes with yesterday's rally

April cattle reversed Monday's downturn and shot higher yesterday to its highest level since November 6th. No cash cattle trade reported yet this week. There were no fundamental changes of note to attribute to yesterday's strength, but perhaps traders are looking at the extended forecast as a cold spell may be coming into the Midwest in the latter part of February. The previous cold spell a couple weeks ago brought carcass weights down and they are now below last year. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 250,000 head, down from 252,000 last week at this time but up from 243,878 a year ago. The USDA boxed beef cutout was up \$2.24 at mid-session yesterday and closed 59 cents higher at \$294.07. This was down from \$296.07 the previous week. The previous low was \$293.48 on February 5. The previous high was \$294.94 on February 1.



#### TODAY'S MARKET IDEAS:

The surprising strength yesterday appeared to be driven by speculators exiting shorts. Gap resistance on April futures stands at 187.30- 187.55. While technical conditions are overbought, the RSI remains below its peak in September, when cattle made their contract highs.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### 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 (APR) 02/07/2024:** A bullish signal was given with an upside crossover of the daily stochastics. Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 189.550. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 188.200 and 189.550, while 1st support hits today at 183.920 and below there at 180.950.

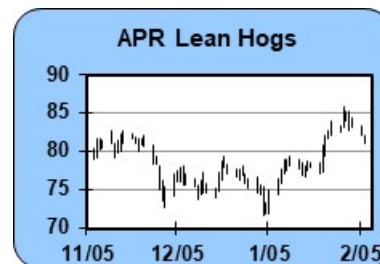
**FEEDER CATTLE (MAR) 02/07/2024:** The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive signal was given by the outside day up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 250.618. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 249.162 and 250.618, while 1st support hits today at 244.188 and below there at 240.669.

## DAILY HOGS COMMENTARY

2/7/2024

### Technical picture weakening

April hogs premium to cash narrowed further yesterday and prices appear headed to a next important support at 79.50. Cash trade has been very light so far this week and cutout is slipping, favoring more futures weakness. The CME Lean Hog Index as of February 2 was 73.56, up from 73.12 the previous session and 70.60 the previous week. The USDA estimated hog slaughter came in at 492,000 head yesterday. This brings the total for the week so far to 979,000 head, down from 982,000 last week at this time but up from 952,761 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$85.94, down \$1.01 from Monday and down from \$87.61 the previous week. China's national average spot pig price as of February 7 was unchanged from the previous day. For the week prices are down 2.43%, down 7.51% for the month and up 6.19% year to date and up 5.38% versus a year ago.



### TODAY'S MARKET IDEAS:

The technical picture still points lower with important support now at 79.50 on April futures. Limited cash trade and falling cutout values look to push prices down into support.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/07/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 80.270. The next area of resistance is around 81.800 and 82.550, while 1st support hits today at 80.670 and below there at 80.270.

### 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										
LCJ24	186.070	76.90	72.65	88.13	89.68	183.84	182.38	179.39	175.01	175.43
FCH24	246.675	77.16	73.60	90.86	91.88	244.78	241.90	236.33	227.47	227.52
LHJ24	81.250	48.54	53.47	76.92	65.49	82.76	83.33	81.10	78.18	78.41

Calculations based on previous session. Data collected 02/06/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCJ24	Live Cattle	180.920	183.900	185.250	188.200	189.550
FCH24	Feeder Cattle	240.668	244.187	245.643	249.162	250.618
LHJ24	Lean Hogs	80.250	80.650	81.400	81.800	82.550

**Calculations based on previous session. Data collected 02/06/2024**

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