

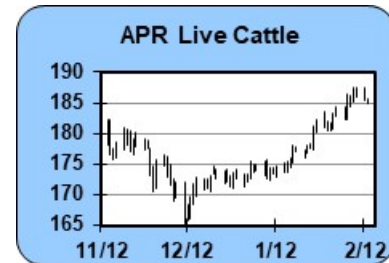


DAILY LIVESTOCK COMMENTARY Wednesday February 14, 2024

DAILY CATTLE COMMENTARY 2/14/2024

Weaker margins could limit further cash cattle gains.

Cash cattle have gained \$7.68 over the last four weeks, but Friday's strong cash price has not pushed the futures higher, and this may be a sign that a price correction has finally arrived. April cattle were weaker yesterday following Monday's turn lower. Packers are not expected to be aggressive bidders for cash cattle this week. Cash traded in light volume yesterday (480 head) in Iowa/Minnesota at \$180, versus an average of \$180.60 last week. However, trade volume was too light for an adequate test. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 240,000 head, down from 250,000 last week and 249,000 a year ago. The USDA boxed beef cutout was down 83 cents at mid-session yesterday and closed \$1.81 lower at \$292.27. This was down from \$294.07 the previous week and was the lowest it had been since January 15. The sharply reduced packer margins suggest slaughter rates could slow this week.



TODAY'S MARKET IDEAS:

Weak packer margins, lower beef prices, and the beginning of Lent could spark a turn lower in cash cattle. April cattle gapped lower yesterday, leaving resistance at 186.125. Moving average support comes in at 184.375, followed by 181.35. If prices decide to retrace the larger uptrend since early December, a fall to at least 179.00 could be seen.

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) 02/14/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 184.200. The next area of resistance is around 185.570 and 186.120, while 1st support hits today at 184.620 and below there at 184.200.

FEEDER CATTLE (MAR) 02/14/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 249.743. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 248.837 and 249.743, while 1st support hits today at 247.163 and below there at 246.394.

DAILY HOGS COMMENTARY

2/14/2024

Bounce off key support is impressive.

April hogs probed below Monday's low yesterday and bounced, and last week's low of 79.67 remains key support. Nearby resistance at 81.70 has stalled rallies so far this week, but technical action seems to point to higher prices. The turn higher in late January ended the nearly year-long downtrend, and technical support has been evident on pullbacks. Expectations for seasonally tightening supplies are supportive. The CME Lean Hog Index as of February 9 was 73.70, up from 73.60 the previous session and 73.56 the previous week. The USDA estimated hog slaughter came in at 486,000 head yesterday. This brings the total for the week so far to 977,000, down from 979,000 last week but up from 956,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$86.22, down \$1.57 from Monday but up from \$85.94 the previous week.



TODAY'S MARKET IDEAS:

Pork supplies should begin to seasonally tighten. The rally off the January lows has turned the major trend positive, and the recent pullback may be a buying opportunity. Key support in April hogs remains at 79.67, with retracement resistance at 82.80 and 83.55.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/14/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 79.550. The next area of resistance is around 81.800 and 82.470, while 1st support hits today at 80.350 and below there at 79.550.

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	185.070	62.70	63.86	87.29	84.23	186.08	184.94	182.28	176.87	176.07
FCH24	248.000	73.12	71.56	90.25	90.36	247.71	246.16	241.34	231.14	228.94
LHJ24	81.070	48.35	52.48	48.12	36.97	80.93	81.76	81.83	78.72	78.36

Calculations based on previous session. Data collected 02/13/2024

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						
LCJ24	Live Cattle	184.170	184.600	185.150	185.570	186.120
FCH24	Feeder Cattle	246.393	247.162	248.068	248.837	249.743
LHJ24	Lean Hogs	79.520	80.320	81.000	81.800	82.470

Calculations based on previous session. Data collected 02/13/2024

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