



DAILY LIVESTOCK COMMENTARY

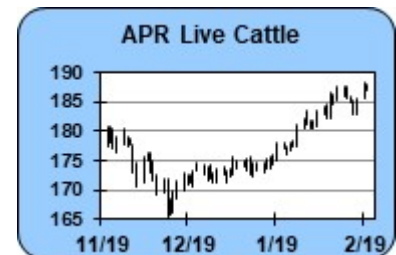
Wednesday February 21, 2024

DAILY CATTLE COMMENTARY

2/21/2024

Traders looking for low placements in on-feed report.

April cattle failed to take out Friday's 2 1/2-month high on their rally yesterday, but they came close. The rally on Friday suggested the market had resumed its uptrend after a brief correction. Beef prices are holding firm, which is supportive, and cattle supplies remain tight. Traders are looking for a sharp drop in placements in the Friday Cattle on Feed report and steady on-feed levels. This comes after the January Cattle inventory report showed January 1 inventory was the lowest on record going back to 1961. For the Cattle on Feed report, analyst polls show average trade expectations for January placements around 88% of a year ago, with a range of expectations from 81.6% to 94.0%. Marketings are expected at 99.8% (range 98.6%-100.3%), and February 1 on feed supply at 100.1% (range 99.4%-101.1%). The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 229,000 head, down from 240,000 last week but up from 228,035 a year ago. The USDA boxed beef cutout was down 21 cents at mid-session yesterday but closed 28 cents higher at \$297.37. This was up from \$292.27 the previous week and was the highest it had been since January 29. There were 118 head of cash live cattle reported in Nebraska on Tuesday at \$180 versus an average price of \$180.71 last week. Trading volume was too light for an adequate test. Australian 2023 beef production totaled 2.21 million tonnes, up 18% from 2022 and the largest since 2019. Cattle slaughter increased 20%.



TODAY'S MARKET IDEAS:

The uptrend in April live cattle is intact, but buyers may turn cautious as we get close to Friday's on-feed report. Look for resistance in April cattle at 190.70, with support at 182.875.

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) 02/21/2024: The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 188.600. The next area of resistance is around 187.920 and 188.600, while 1st support hits today at 186.720 and below there at 186.170.

FEEDER CATTLE (MAR) 02/21/2024: The daily stochastics have crossed over up which is a bullish indication. Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 254.062. The 9-day RSI over 70 indicates the market is

approaching overbought levels. The next area of resistance is around 252.875 and 254.062, while 1st support hits today at 249.875 and below there at 248.063.

DAILY HOGS COMMENTARY

2/21/2024

Disappointing close yesterday may spark profit taking.

April hogs traded to their highest level since late June yesterday but settled well off the highs of the day, which could leave longs anxious this morning. The USDA pork cutout, released after the close yesterday, came in at \$91.48, down 86 cents from Monday but up from \$86.22 the previous week. Monday's cutout was the highest since October 9. There are anecdotal reports that high retail beef prices are boosting pork consumption. The CME Lean Hog Index as of February 16 was 75.75, up from 75.29 the previous session and 73.70 the previous week. The USDA estimated hog slaughter came in at 490,000 head yesterday. This brings the total for the week so far to 980,000 head, up from 977,000 last week and 959,454 a year ago. On Friday, the USDA said the weekly US pork export sales data was incorrect and that they would issue an update this week. Last week's report showed net sales of 74,569 tonnes for the week ending February 8, up from 71,855 the previous week and the highest since December 2022. China's national average spot pig price was down 1.5% today and down 8.8% for the week and 16% for the month.



TODAY'S MARKET IDEAS:

The (relatively) weak close in April hogs yesterday after a rally to their highest level since June may have traders concerned that the market has moved too high, too fast. The next resistance level comes in at 89.00, with support at 84.32 and 83.45.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/21/2024: 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. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 87.620. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 86.500 and 87.620, while 1st support hits today at 84.850 and below there at 84.300.

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	187.320	67.39	66.62	81.31	83.10	186.12	185.96	184.17	178.21	176.60
FCH24	251.375	75.21	72.99	87.17	88.37	248.93	248.01	244.95	233.88	230.13

LHJ24 85.650 73.78 68.58 63.11 73.40 85.11 82.80 83.07 79.58 78.66

Calculations based on previous session. Data collected 02/20/2024

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	186.150	186.700	187.370	187.920	188.600
FCH24	Feeder Cattle	248.062	249.875	251.062	252.875	254.062
LHJ24	Lean Hogs	84.270	84.820	85.950	86.500	87.620

Calculations based on previous session. Data collected 02/20/2024

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