



DAILY LIVESTOCK COMMENTARY

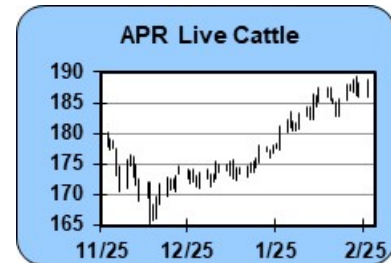
Tuesday February 27, 2024

DAILY CATTLE COMMENTARY

2/27/2024

Tight supply and firm beef keep uptrend intact.

April live cattle survived a disappointing Cattle on Feed report, as the overall trend still points to tighter supply. The placements number came in at 92.6% of last year versus 88% expected, but it still showed a substantial reduction from a year ago. Higher trends in cash cattle and boxed beef prices are also supportive. The USDA boxed beef cutout was \$1.18 higher yesterday at \$301.79. This was up from \$297.09 the previous week and was the highest it had been since November 3. No cash live cattle trades were reported yesterday. The five-area weighted average steer price last week was \$182.95, up from \$180.35 the previous week and \$163.72 a year ago. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This was up from 104,000 last week but down from 124,000 a year ago. The USDA Cold Storage Report released after the closed yesterday showed there were 475.4 million pounds of frozen beef in storage on January 31, down from 480.3 million on December 31 and 535.2 million on January 31, 2023. Beef stocks fell 1% last month versus a 10-year average increase of 1.4%. The report shows beef supplies remain tight relative to a year ago. A 1% rally in Chinese equity markets overnight could boost demand expectations.



TODAY'S MARKET IDEAS:

US cattle supply remains tight, and beef prices are the highest they have been in almost four months. The next upside target in April cattle is the gap from October at 183.95-190.70. Look for support at 184.775.

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) 02/27/2024: The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 190.500. The next area of resistance is around 189.450 and 190.500, while 1st support hits today at 186.720 and below there at 185.020.

FEEDER CATTLE (APR) 02/27/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 262.962. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 260.975 and 262.962, while 1st support hits today at 256.825 and below there at 254.663.

DAILY HOGS COMMENTARY

2/27/2024

Pork price decline undermines hog rally.

April hogs gapped lower yesterday and fell to their lowest level in almost a week. The market had become short term overbought on the recent rally, and it could see further declines ahead and still hold the uptrend. Traders had been citing the strong cash market as the primary source of support in the futures, but cash pork prices have slipped recently. The USDA pork cutout, released after the close yesterday, came in at \$89.88, down 18 cents from Friday and down from \$92.34 the previous week. The CME Lean Hog Index as of February 22 was 79.10, up from 78.78 the previous session and 75.29 the previous week. The USDA estimated hog slaughter came in at 492,000 head yesterday. This was up from 490,000 last week and 484,000 a year ago. The USDA Cold Storage Report, released after the close yesterday, showed 468.0 million pounds of frozen pork in US cold storage on January 31, up from 427.4 million on December 31 but down from 519.1 million on January 31, 2023. The increase in stocks in January was in line with seasonal trends. They increased by 9.5% from the previous month versus a 10-year average increase of 12.1%. The report showed pork supplies were tighter than they were a year ago.



TODAY'S MARKET IDEAS:

April hogs held above support at the 0.382 retracement of the February rally yesterday, and that level, 84.37, becomes initial support today. Additional retracement support levels include 84.30 and 83.20. Look for resistance at 87.17 and 88.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/27/2024: 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. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside objective is 87.800. The next area of resistance is around 87.020 and 87.800, while 1st support hits today at 85.520 and below there at 84.770.

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	188.070	66.63	66.11	79.97	80.26	187.56	186.65	185.55	179.54	177.50
FCJ24	258.899	75.05	73.53	86.10	87.92	257.88	254.66	252.60	241.77	236.98

LHJ24 86.270 68.02 66.45 75.26 76.97 86.66 85.35 83.76 80.35 79.40

Calculations based on previous session. Data collected 02/26/2024

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	185.000	186.700	187.750	189.450	190.500
FCJ24	Feeder Cattle	254.662	256.825	258.812	260.975	262.962
LHJ24	Lean Hogs	84.750	85.500	86.270	87.020	87.800

Calculations based on previous session. Data collected 02/26/2024

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