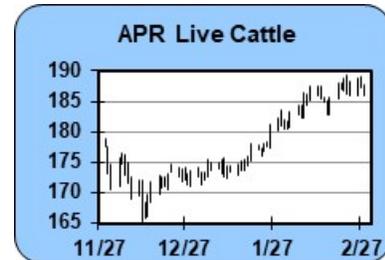




DAILY CATTLE COMMENTARY
2/29/2024

Support from beef prices may not be enough to extend rally.

Beef prices are the highest they have been in four months, but so are cattle, and the market seems to lack a catalyst to push above last week's highs. The wildfires in Texas do not seem to be having much effect on the market except to serve as a reminder of the dry pasture conditions. This could be bearish over the near term if it encourages more herd liquidation, but the US herd was already at record lows at the beginning of the year. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 372,000 head, up from 349,000 last week but down from 375,000 a year ago. The USDA boxed beef cutout was up 67 cents at mid-session yesterday and closed \$1.29 higher at \$303.03. This was up from \$297.80 the previous week and the highest it had been since November 2. Cash live cattle trading was moderately active in Kansas and Texas/Oklahoma yesterday at slightly higher prices than last week. In Kansas there were 2,876 head reported at \$182-\$183 with an average price of \$182.91 versus an average of \$182.46 last week. In Texas/Oklahoma there were 2,368 head reported at \$183 versus an average of \$182.72 last week.



TODAY'S MARKET IDEAS:

April cattle barely held support at the bottom of the seven-session range yesterday, and a break below that level (around 184.85) could set the market up for a selloff to 182.60. A move above 189.20 would leave the next upside target at 190.70.

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) 02/29/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 184.670. The next area of resistance is around 187.020 and 188.250, while 1st support hits today at 185.250 and below there at 184.670.

FEEDER CATTLE (APR) 02/29/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next

downside objective is now at 251.450. The next area of resistance is around 257.300 and 260.250, while 1st support hits today at 252.900 and below there at 251.450.

DAILY HOGS COMMENTARY

2/29/2024

Hog weights above year ago and the 5-year average.

A disappointing close in April hogs yesterday could be setting the market up for a further correction of the February rally. The market found support earlier this week at the 0.382 retracement of the rally off the February low to last week's nine-month highs, and that level, 85.35 remains key support. The average hog weight for Iowa-Southern Minnesota as of February 24 was 287.7 pounds, down from 288 the previous week but up from 285.7 a year ago. The 5-year average is 286.3 pounds. The decline is seasonal, but current weights being higher than a year ago and the five-year average could weigh on the market.

The CME Lean Hog Index as of February 26 was 79.78, up from 79.46 the previous session and 76.80 the previous week. The USDA estimated hog slaughter came in at 491,000 head yesterday. This brings the total for the week so far to 1.474 million head, up from 1.470 million last week and 1.442 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$89.56, down 84 cents from Tuesday and down from \$89.62 the previous week.



TODAY'S MARKET IDEAS:

April hogs closed a gap at 87.17 yesterday but then sold off, which does not indicate much conviction on the part of the bulls and could lead to a test of support at 84.37 today. Additional downside targets include 84.30 and 83.20, with resistance at 87.20 and 88.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 02/29/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 84.800. The next area of resistance is around 86.700 and 87.670, while 1st support hits today at 85.270 and below there at 84.800.

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	186.120	52.54	57.34	76.69	70.62	187.46	187.18	186.10	180.16	177.89

FCJ24	255.100	56.08	61.34	83.46	77.32	258.23	256.08	253.57	243.00	237.96
LHJ24	86.000	64.51	64.39	73.78	71.90	86.34	86.05	83.95	80.76	79.70

Calculations based on previous session. Data collected 02/28/2024

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	184.650	185.200	186.450	187.020	188.250
FCJ24	Feeder Cattle	251.450	252.900	255.850	257.300	260.250
LHJ24	Lean Hogs	84.770	85.250	86.220	86.700	87.670

Calculations based on previous session. Data collected 02/28/2024

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