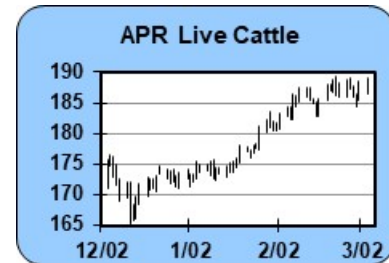




DAILY CATTLE COMMENTARY
3/5/2024

Beef prices firm but slaughter down.

April live cattle's failure to push through last week's highs yesterday was met with disappointment and a mild selloff. Beef prices are still high, but lower slaughter pace may indicate a slowdown in packer demand. The USDA estimated cattle slaughter came in at 116,000 head yesterday. This was down from 122,000 last week and 125,000 a year ago. The USDA boxed beef cutout was up \$1.39 at mid-session yesterday and closed \$1.02 higher at \$306.30. This was up from \$301.79 the previous week and was the highest it had been since October 30. Cash live cattle were quiet yesterday. The five-area weighted average steer price last week was \$183.30, up from \$182.95 the previous week and \$165.02 a year ago.



TODAY'S MARKET IDEAS:

Key resistance for April cattle comes in at 189.15, and a gap at 190.70 from back in October beckons. Look for support at 186.20 and 185.00.

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) 03/05/2024: Momentum studies trending lower at mid-range should accelerate a move lower 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 daily closing price reversal down puts the market on the defensive. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 184.820. The next area of resistance is around 187.870 and 189.600, while 1st support hits today at 185.500 and below there at 184.820.

FEEDER CATTLE (APR) 03/05/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 253.519. The next area of resistance is around 257.137 and 259.068, while 1st support hits today at 254.363 and below there at 253.519.

DAILY HOGS COMMENTARY

3/5/2024

Strong slaughter pace and firm pork prices.

April hogs have seen choppy, sideways action since trading to eight-month highs in February, but the market may be building support for another leg higher. The slaughter pace is indicative of strong demand. The USDA estimated hog slaughter came in at 493,000 head yesterday, up from 492,000 last week and 465,000 a year ago. The CME Lean Hog Index as of February 29 was 80.26, up from 80.15 the previous session and 79.10 the previous week. The USDA pork cutout, released after the close yesterday, came in at \$91.34, down \$1.29 from Friday but up from \$89.88 the previous week. The chairman of New Hope Group, one of China's biggest pig breeders said on Monday that he is "optimistic" that hog prices will break out of a multi-year slump this year as government policies to stimulate the market take effect. However, bullish traders may be disappointed that there was no big-ticket stimulus measure announced at China's National Peoples Congress this week. The recent Commitments of Traders report showed the managed money (fund) net long had reached its highest level since September 2022, which leaves the market vulnerable to heavy selling if support levels are violated.



TODAY'S MARKET IDEAS:

Firm pork values and a strong slaughter pace indicate strong demand. Look for support in April hogs at 85.52 and 84.32, with resistance at 88.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (APR) 03/05/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next upside target is 88.600. The next area of resistance is around 87.220 and 88.600, while 1st support hits today at 85.350 and below there at 84.820.

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	186.670	53.00	56.33	69.39	66.61	186.65	187.18	186.57	181.09	178.68
FCJ24	255.750	54.95	59.13	73.47	68.62	255.64	257.00	254.53	244.71	239.75
LHJ24	86.270	57.44	60.10	75.25	75.61	86.74	86.61	84.71	81.45	80.21

Calculations based on previous session. Data collected 03/04/2024

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	184.800	185.450	187.200	187.870	189.600
FCJ24	Feeder Cattle	253.518	254.362	256.293	257.137	259.068
LHJ24	Lean Hogs	84.800	85.320	86.700	87.220	88.600

Calculations based on previous session. Data collected 03/04/2024

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