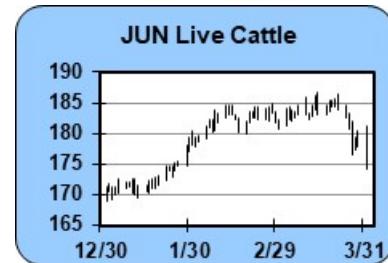




DAILY CATTLE COMMENTARY
4/2/2024

Bird flu story is evolving rapidly.

The cattle market sold off hard late yesterday after a Washington Post story of a case of H5N1 bird flu being detected in a person who had contact with cows presumed to be infected with the virus. The story broke about 1/2 hour before the close. The CDC said the new case does not change the risk assessment for the US public from this strain, which it considers to be low. USDA said yesterday that it did not see the need to cull dairy herds as infected cows were being isolated and reportedly recovering. However, reports of confirmed bird flu cases in five more Texas dairy herds as well as one herd each in Michigan and New Mexico, two in Kansas and now seven in Texas have heightened the concern. Idaho is waiting on test results for confirmation. The news yesterday seemed to confirm fears of cattle-to-human transmission and raise the likelihood of cattle-to-cattle transmission, and this has traders fearing the USDA may have to quarantine and/or restrict cattle movement. There are also worries that beef demand could be affected. Idaho has already banned imports of cattle from Texas. The USDA has said the situation is rapidly evolving. The USDA estimated cattle slaughter came in at 109,000 head yesterday. This was down from 118,000 last week and down from 120,000 a year ago. The USDA boxed beef cutout was 98 cents lower yesterday at \$305.74. This was down from \$310.89 the previous week and the lowest it had been since March 6. Cash live cattle trade was quiet on Monday. The five-area weighted average steer price last week was \$188.23, down from \$189.56 the previous week but up from \$168.74 a year ago.



TODAY'S MARKET IDEAS:

The market risks overreacting to this story, as fear of drastic action may be moving ahead of fact. Technical damage was done with yesterday's selloff, but the market has also moved into oversold territory. Look for support in June cattle at 174.70, followed by 171.85, with initial resistance at 177.55, followed by 180.65.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (JUN) 04/02/2024: The major trend has turned down with the cross over back below the 60-day moving average. Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 169.520. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around

178.800 and 183.450, while 1st support hits today at 171.850 and below there at 169.520.

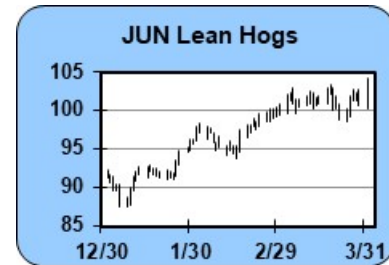
FEEDER CATTLE (MAY) 04/02/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The outside day down is a negative signal. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 233.925. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 247.900 and 254.825, while 1st support hits today at 237.450 and below there at 233.925.

DAILY HOGS COMMENTARY

4/2/2024

Cattle pain is hog gain.

The hog market quickly rejected any bearishness from last week's hogs and pigs report and traded to new contract highs for the June through October contracts. The market may have looked at the farrowing intentions for March through May and June through August, which were 1-2% below year ago levels, and viewed them as supportive, even though the numbers were close to expectations. The bird flu scare that is pressuring the cattle market may have also supported hogs on ideas it could push some demand over to pork. The CME Lean Hog Index as of March 28 was 84.60, up from 84.25 the previous session and 83.54 the previous week. The USDA estimated hog slaughter came in at 353,000 head yesterday. This was down from 484,000 last week and 486,000 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$96.52, up \$3.46 from Friday and up from \$94.96 the previous week. This was the highest it had been since September 29.



TODAY'S MARKET IDEAS:

The reversal higher in June hogs yesterday to new contract highs leave the next upside target at 104.70, followed by 104.95. Look for support at 102.95 and 101.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/02/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 106.920. The next area of resistance is around 105.520 and 106.920, while 1st support hits today at 101.470 and below there at 98.800.

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										
LCM24	175.320	26.47	32.81	30.92	21.65	178.16	181.27	182.67	182.35	180.00
FCK24	242.675	22.14	29.68	23.92	16.20	246.73	252.12	254.59	255.61	251.67
LHM24	103.500	66.23	63.85	56.26	66.39	101.98	101.16	101.43	99.25	97.55

Calculations based on previous session. Data collected 04/01/2024
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						
LCM24	Live Cattle	169.500	171.820	176.470	178.800	183.450
FCK24	Feeder Cattle	233.924	237.450	244.375	247.900	254.825
LHM24	Lean Hogs	98.770	101.450	102.850	105.520	106.920

Calculations based on previous session. Data collected 04/01/2024
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