



## DAILY LIVESTOCK COMMENTARY

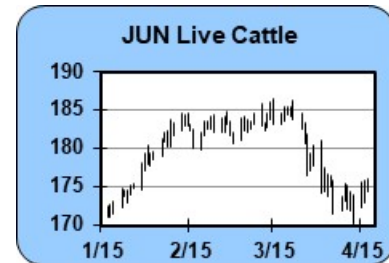
Friday April 19, 2024

### DAILY CATTLE COMMENTARY

4/19/2024

#### Beef cutout lowest since February 15.

June cattle have traded right up to the 0.382 retracement of the decline from the March high to last week's low, and that could act as a key bull/bear line today. The steady decline in beef prices this week has been disappointing for those looking for seasonal demand strength. The USDA boxed beef cutout was down 71 cents at mid-session yesterday and closed \$1.01 lower at \$295.80. This was down from \$298.37 the previous week and the lowest it had been since February 15. Cash live cattle has been quiet this week. There were 35 head reported in Iowa/Minnesota at \$183 versus an average price of \$184.87 last week, but trade volume was too light for an adequate test. US beef export sales for the week ending April 11 came in at 17,745 tonnes, up from 13,637 the previous week and above the four-week average of 15,680. Cumulative sales for 2024 have reached 353,600 tonnes, down from 387,200 a year ago and the lowest in at least five years. The largest buyer this week was South Korea at 5,432 tonnes, followed by China at 3,573. For the Cattle on Feed Report this afternoon, a Bloomberg survey has an average trade expectation for March placements at 92.3% of last year, with a range of expectations from 89.3% to 94.7%. Marketings are expected at 88.6% (range 86.5-91.3), and the April 1 on feed number is expected to come in around 102% of last year (range 101.6-102.5).



#### TODAY'S MARKET IDEAS:

We could see some more consolidation ahead of this afternoon's Cattle on Feed report. A move through resistance at 176.50 in June cattle would leave the next upside target at 178.45, with support at 171.575.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### CATTLE COMPLEX TECHNICAL OUTLOOK:

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**LIVE CATTLE (JUN) 04/19/2024:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The next upside target is 176.970. The next area of resistance is around 176.150 and 176.970, while 1st support hits today at 174.620 and below there at 173.900.

**FEEDER CATTLE (AUG) 04/19/2024:** Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside objective is 256.818. The next area of resistance

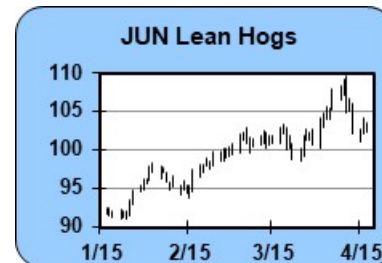
is around 255.887 and 256.818, while 1st support hits today at 252.713 and below there at 250.469.

## DAILY HOGS COMMENTARY

4/19/2024

### Fund liquidation a threat to the bulls.

June hogs are under the influence of a key reversal top from last week, and their two attempts at short covering have been unimpressive. They bounced off the 50-day moving average at 101.07 yesterday, and that could be a key bull/bear line today. The USDA estimated hog slaughter came in at 486,000 head yesterday. This brings the total for the week so far to 1.940 million head, up from 1.912 million last week and 1.904 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.21, up 41 cents from Wednesday but down from \$100.27 the previous week. The CME Lean Hog Index as of April 16 was 91.36, up from 90.98 the previous session and 88.78 the previous week. US pork export sales for the week ending April 11 came in at 21,830 tonnes, down from 47,410 the previous week and the lowest since January 2. This was below the four-week average of 38,300. Cumulative sales for 2024 have reached 737,000 tonnes, up from 717,600 a year ago. This is the highest since 2021 but below the five-year average of 799,100. The largest buyer this week was Mexico at 8,485 tonnes, followed by China at 2,970. China's Ministry of Agriculture and Rural Affairs said today that the nation's hog, sow, and piglet herds are declining after government efforts to decrease production capacity, with prices expected to recover in the second quarter. They reported the sow herd at 39.2 million head at the end of March, down 7.3% from a year ago. On Tuesday, China reported their pig herd size down 5.2% to 408.5 million head.



### TODAY'S MARKET IDEAS:

A break below 101.07 today could spark a resumption of the downtrend set in motion by the key reversal top last week. This would leave the next downside target 98.60. Look for resistance at 104.50 and 104.47. The large net long position held by the funds leaves the market vulnerable to heavy selling.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 04/19/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 100.700. The next area of resistance is around 103.500 and 104.000, while 1st support hits today at 101.870 and below there at 100.700.

## 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
<b>MEAT COMPLEX</b>										
LCM24	175.370	47.66	45.16	29.10	37.94	175.06	174.07	175.60	180.32	180.42
FCQ24	254.300	52.23	47.23	30.10	43.21	252.14	249.88	252.60	262.14	263.58
LHM24	102.700	43.95	48.95	44.84	33.45	102.68	104.51	103.98	101.76	100.30

Calculations based on previous session. Data collected 04/18/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCM24	Live Cattle	173.870	174.570	175.420	176.150	176.970
FCQ24	Feeder Cattle	250.468	252.712	253.643	255.887	256.818
LHM24	Lean Hogs	100.670	101.850	102.320	103.500	104.000

Calculations based on previous session. Data collected 04/18/2024

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