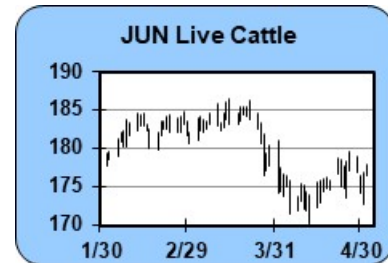




DAILY CATTLE COMMENTARY
5/3/2024

Seasonally strong demand season a plus.

Heavy animal weights, sluggish beef prices, and nagging concerns that bird flu anxiety will hurt beef consumption have pressured prices this week. However, beef demand is entering a seasonally strong period, which provides underlying support. June cattle were higher yesterday in a reversal of Wednesday's sweeping range down. The market drew support from the news that US government reported retail samples of ground beef tested negative for the bird flu virus in states where dairy cattle herds had tested positive. The market may have also drawn support from a bullishly leaning export sales report. The report showed US beef sales for the week ending April 25 at 22,482 tonnes, up from 15,210 the previous week and the highest since February 2023. This was the first time in almost three months that sales were above 20,000 tonnes. The average of the previous four weeks is 16,300. Cumulative sales for 2024 have reached 391,300 tonnes, down from 416,900 a year ago and the lowest in at least five years. The largest buyer was South Korea at 9,605 tonnes, followed by Japan at 5,241, Taiwan at 2,482, and China at 1,591. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 480,000, down from 488,000 last week and 494,000 a year ago. The USDA boxed beef cutout was 64 cents lower yesterday at \$292.90. This was down from \$296.92 the previous week and was the lowest it had been since February 13. Cash live cattle have traded higher so far this week, with moderate volume reported in some areas. In Iowa/Minnesota, there were 1,584 head reported yesterday at \$186-\$187 with a weighted average of \$186.77, up from \$185.56 last week. In Nebraska, 2,328 head were reported at \$186-\$187 with an average of \$186.64 versus \$184.83 last week. A new federally funded research paper said bird flu likely circulated in US dairy cows on a limited basis for about four months before federal officials confirmed the disease has spread to nine states.



TODAY'S MARKET IDEAS:

For June cattle, the 50-day moving average crossed below the 200-day this week, which is a classic bearish signal. The market is in a coiling pattern with resistance around 180.00 and initial support today at 175.275, followed by 172.70. A break below the April low at 170.25 would set the market up for a test of the contract low from December at 162.775.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (JUN) 05/03/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The cross over and close above the 18-day moving average is an indication the intermediate-term

trend has turned positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is 175.470. The next area of resistance is around 177.570 and 178.550, while 1st support hits today at 176.050 and below there at 175.470.

FEEDER CATTLE (AUG) 05/03/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 253.007. The next area of resistance is around 256.562 and 258.356, while 1st support hits today at 253.888 and below there at 253.007.

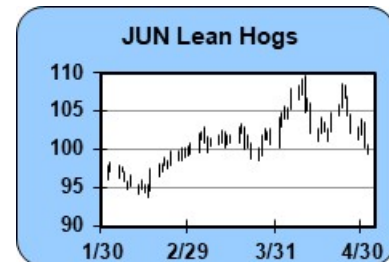
DAILY HOGS COMMENTARY

5/3/2024

Fund liquidation pressure.

June hogs extended their selloff yesterday despite a decent export sales report. The market remains under the negative technical influence of a key reversal top from the contract high on April 10, and a large net long held by the funds has left it vulnerable to heavy selling. The export sales report showed US pork sales for the week ending April 25 at 33,583 tonnes, up from 28,790 the previous week and the highest since April 4. Cumulative sales for 2024 have reached 799,400 tonnes, down from 820,600 a year ago and below the five-year average of 882,200.

The largest buyer this week was Mexico at 21,604 tonnes, followed by Japan at 4,165. US pork exports for the month of March totaled 621.11 million pounds, up from 593.44 million in February and the highest since December. This was up from 608.121 million in March 2023. Exports to South Korea reached 85.49 million tonnes, which was the highest since their record 87.34 million from March 2019. The CME Lean Hog Index as of April 30 was 90.60, up from 90.26 the previous session but down from 91.64 the previous week. The USDA estimated hog slaughter came in at 481,000 head yesterday. This brings the total for the week so far to 1.919 million head, down from 1.936 million last week but up from 1.862 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$97.60, down 20 cents from Wednesday but up from \$95.94 the previous week. Funds were holding a near-record net long as of April 23, as reported in last Friday's Commitments of Traders report. This suggests there may still be capacity for significant long liquidation. Traders will be looking at this afternoon's COT report to see how much the managed money net long has declined.



TODAY'S MARKET IDEAS:

June hogs extended their downtrend yesterday, but the relatively narrow range suggests the selloff may be slowing. The market was down 9.3% from its April peak yesterday, and RSI at 31 was approaching oversold territory. Look for support at 98.60, with resistance at 101.57 and 102.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUN) 05/03/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The

market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 98.700. The next area of resistance is around 100.550 and 101.250, while 1st support hits today at 99.270 and below there at 98.700.

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
MEAT COMPLEX										
LCM24	176.800	52.16	50.05	62.93	58.56	175.69	176.62	175.48	178.92	179.93
FCQ24	255.225	49.12	48.31	71.51	65.10	255.53	257.24	253.85	259.51	261.91
LHM24	99.900	31.44	38.49	26.86	14.99	101.33	103.74	103.96	102.94	101.55

Calculations based on previous session. Data collected 05/02/2024

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	175.450	176.020	177.020	177.570	178.550
FCQ24	Feeder Cattle	253.006	253.887	255.681	256.562	258.356
LHM24	Lean Hogs	98.650	99.250	99.950	100.550	101.250

Calculations based on previous session. Data collected 05/02/2024

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