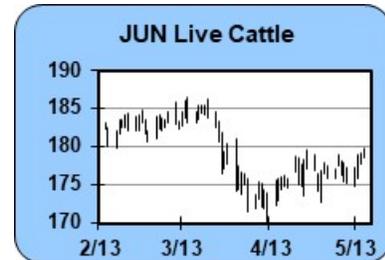




DAILY CATTLE COMMENTARY
5/17/2024

Aug prices move to 1 1/2 month high

Steer carcass weights have been running well above last year which is adding to fed beef production. However, better seasonal demand is on the doorstep and August live cattle futures hit their highest level in 1 1/2 months yesterday. Significant 200-day moving average stands at 178.70 and may be difficult to exceed unless cash prices are stronger than expected. Cash cattle trade yesterday was quiet in the South with 654 head in Iowa/Minnesota at 186-190 with a weighted average of 188.19. The USDA estimated cattle slaughter came in at 124,000 head yesterday. This brings the total for the week so far to 487,000 head, down from 489,000 last week at this time and down from 501,669 a year ago. Slaughter has been below 600k head for 3 weeks but is expected to rebound above 600k next week as seasonal grilling demand is on the horizon. The USDA boxed beef cutout was up \$2.74 at mid-session yesterday and closed \$3.38 higher at \$310.15. This was up from \$295.39 the previous week. The previous low was \$306.77 on May 15. The previous high was \$311.09 on March 26.



TODAY'S MARKET IDEAS:

This week's higher trending live cattle market has pushed prices up to last month's highs on August futures as Memorial Day seasonal grilling demand is just ahead. The uptrend is intact and next major upside resistance is the 200-day moving average at 178.70. Look for support at 173.35 and 172.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 05/17/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 178.800. The next area of resistance is around 178.070 and 178.800, while 1st support hits today at 176.670 and below there at 175.970.

FEEDER CATTLE (AUG) 05/17/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 260.274. The next area of resistance is around 258.849 and

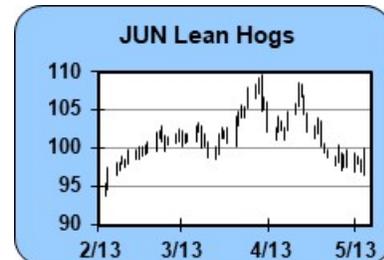
260.274, while 1st support hits today at 255.850 and below there at 254.275.

DAILY HOGS COMMENTARY

5/17/2024

Technical turn higher Thursday

July hogs had a significant upside reversal Thursday after prices hit their lowest level since late February, despite poor weekly export sales. Although July closed somewhat off the day's highs yesterday, the reversal came as technical indicators reached oversold levels and traders may view the action as a significant turn after the recent sharp 3-week selloff. Upside retracement resistance starts at 103.65 extending to 104.96. Look for support on any breaks back below 100.50. Cash hogs yesterday were quoted marginally higher. The CME Lean Hog Index as of May 14 was 91.76, up from 91.29 the previous session and 91.28 the previous week. The USDA estimated hog slaughter came in at 479,000 head yesterday. This brings the total for the week so far to 1.900 million head, down from 1.908 million last week at this time but up from 1.873 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$99.24, down \$1.41 from Wednesday but up from \$97.46 the previous week. The previous low was \$99.14 on May 10. The previous high was \$100.65 on May 15.



China's national average spot pig price as of May 17 was up 0.06% from the previous day. For the week prices are up 3.13%, up 3.41% for the month and up 7.65% year to date and up 9.01% versus a year ago. Dalian live hog futures as of May 17 were up 1.1% from the previous day. For the week prices are unchanged and up 5.06% for the month and up 8.11% year to date

TODAY'S MARKET IDEAS:

After retracing just more than 50% of the January-April rally, July hogs reversed higher from oversold levels, which may end the recent downswing. July 382 retracement resistance to the late April highs is 103.65 and moving average resistance stands at 104.55. The trend may be shifting back higher.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (JUL) 05/17/2024: The daily stochastics gave a bullish indicator with a crossover up. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close above the 9-day moving average suggests the short-term trend remains positive. The outside day up is a positive signal. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 105.070. Daily studies suggest buying dips today. The next area of resistance is around 103.420 and 105.070, while 1st support hits today at 99.820 and below there at 97.850.

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										
LCQ24	177.370	62.92	57.31	64.39	74.69	175.86	175.05	174.75	175.43	177.19
FCQ24	257.350	59.89	54.59	38.71	47.81	255.06	253.54	255.18	256.17	259.37
LHN24	101.620	40.74	41.56	11.29	15.15	100.87	101.45	103.75	104.73	104.09

Calculations based on previous session. Data collected 05/16/2024

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						
LCQ24	Live Cattle	175.950	176.650	177.370	178.070	178.800
FCQ24	Feeder Cattle	254.275	255.849	257.274	258.849	260.274
LHN24	Lean Hogs	97.820	99.800	101.450	103.420	105.070

Calculations based on previous session. Data collected 05/16/2024

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