



DAILY LIVESTOCK COMMENTARY

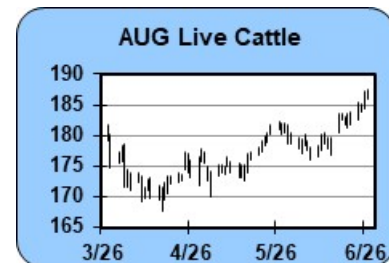
Friday June 28, 2024

DAILY CATTLE COMMENTARY

6/28/2024

Higher cash trade expected today

August live cattle are up \$4 on the week and the strong trend is likely to result in higher cash trade in the South today, which should be supportive to futures prices. Yesterday's weekly export sales improved from the week prior. Another day of light cash trade in Iowa/Minnesota at \$198-\$200. The 5-area, 5-day weighted average so far this week is 194.26, up from 194.24 yesterday and 194.28 at the end of last week. August futures resistance is 187.70 with 1st support at 184.90. USDA boxed beef cutout came in at 323.33, up \$0.48 from yesterday. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 474,000 head, down from 481,000 last week at this time. Next week slaughter estimate is 510,000 head due to the July 4 holiday.



Weekly export sales showed net sales of 16,700 MT for 2024 were up 13 percent from the previous week and 17 percent from the prior 4-week average. Increases were primarily for Japan, China, South Korea, Canada. The largest buyer was Japan (4,700 MT), followed by South Korea (3,900MT), China (1,900 MT), Canada (1,600 MT), and Taiwan (1,500 MT).

TODAY'S MARKET IDEAS:

August cattle have had a strong week and cash trade today should be supportive to prices. The trend remains higher after yesterday's best close since October of last year. Look for resistance on August at 187.70 and support at 184.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 06/28/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 188.070. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 187.200 and 188.070, while 1st support hits today at 185.700 and below there at 185.050.

FEEDER CATTLE (AUG) 06/28/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar

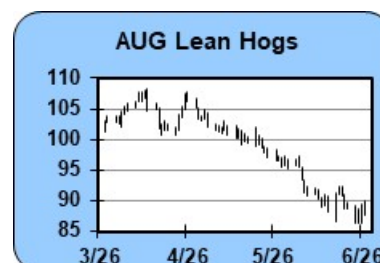
moving average. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 263.412. The next area of resistance is around 261.825 and 263.412, while 1st support hits today at 259.475 and below there at 258.713.

DAILY HOGS COMMENTARY

6/28/2024

No major bearish surprise in Hog and Pig report

Hog and pig inventory was expected to be bearish and came in on the guesses while the breeding herd was lighter than expected. The report was no more bearish than the market was expecting and that may relieve the bearish cloud that has been hanging over prices now that the report is behind us. Look for buying support on a break today. The USDA Hogs and Pigs report showed the June 1 US hog inventory at 101.3% of last year versus an average trade expectation of 101.2% and a range of expectations from 100.4% to 101.7%. Kept for breeding came in below the range of estimates at 96.8% of last year. The average estimate was 97.7% with a range of 97%-98.5%. Market hogs came in at 101.7% versus 101.5% expected (range 100.7%-102%). All weight categories came within the range of estimates. Pigs per litter were 101.8% of last year but slightly under expectations 102.3%, while the March - May pig crop was also 101.8% of last year but above the average estimate of 100.9%. The CME Lean Hog Index as of June 25 was 89.92, up from 89.85 the previous session but down from 90.72 the previous week. The USDA estimated hog slaughter came in at 480,000 head yesterday. This brings the total for the week so far to 1.424 million head, unchanged from last week at this time but up from 1.357 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$94.36, down 16 cents from Wednesday and down from \$96.56 the previous week. The previous low was \$94.34 on June 25. The previous high was \$94.52 on June 26.



U.S. pork export sales for the week ending June 20 came in at 39,200 tonnes, 83% over the last week and 25% over the four week average of 31,500 tonnes. Cumulative sales for the 2024 marketing year have reached 1,036,200 tonnes, down 2.6% versus last year's pace.

China's national average spot pig price as of June 28 was up 0.86% from the previous day. For the week prices are down 3.92%, up 0.97% for the month and up 22.88% year to date and up 26.94% versus a year ago. Dalian live hog futures as of June 28 were up 0.2% from the previous day. For the week prices are unchanged and down 1.78% for the month and up 4.35% year to date

TODAY'S MARKET IDEAS:

The hog and pig report did not hold any major bearish surprise in fact, kept for breeding and summer farrowing intentions were friendly. We would expect a pullback today to find support, despite the lower close yesterday failing to confirm Wednesday's reversal higher. Look for August futures resistance at 90.00 and support 86.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 06/28/2024: Daily momentum studies are on the rise from low levels and should accelerate a

move higher on a push through the 1st swing resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 90.800. The next area of resistance is around 89.270 and 90.800, while 1st support hits today at 86.920 and below there at 86.070.

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	186.450	73.91	69.19	86.68	90.87	185.61	184.03	181.27	178.56	177.02
FCQ24	260.649	56.88	55.22	70.30	75.36	260.09	260.20	258.22	257.44	256.01
LHQ24	88.100	37.45	35.05	23.77	25.88	87.64	89.21	90.27	96.31	98.39

Calculations based on previous session. Data collected 06/27/2024

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	185.020	185.670	186.550	187.200	188.070
FCQ24	Feeder Cattle	258.712	259.475	261.062	261.825	263.412
LHQ24	Lean Hogs	86.050	86.900	88.420	89.270	90.800

Calculations based on previous session. Data collected 06/27/2024

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