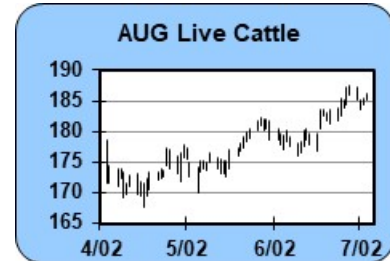




**DAILY CATTLE COMMENTARY**  
7/5/2024

**Feeder strength pulls fats higher**

Strong price action Wednesday and some follow through to the upside is expected today. Cargill's Dodge City beef plant is expected to resume operations today after heavy rains resulted in a collapsed roof that shut down the plant. Choice beef hit a new high for the year early this week. Demand remains good and the current uptrend is likely to continue. Look for August futures resistance at last week's high of 187.42. Cash cattle markets were at a standstill over the holiday and the only trade so far this week was a few hundred head in the South at an average of \$189 and in the north at 195. The 5-area, 5-day weighted average so far this week is 195.02. The USDA estimated cattle slaughter came in at 120,000 head yesterday. This brings the total for the week so far to 353,000 head, unchanged from last week at this time but up from 206,115 a year ago. The USDA boxed beef cutout was down 70 cents at mid-session yesterday and closed 55 cents lower at \$329.84. This was up from \$322.85 the previous week. The previous low was \$329.18 on July 1. The previous high was \$330.39 on July 2.



**TODAY'S MARKET IDEAS:**

The feeder market continues to lend strength to the fats, as does the firm cash prices. Look for retracement support at 182.05 and key resistance remains at last week's high of 187.42 on August. The uptrend looks poised to continue.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

**LIVE CATTLE (AUG) 07/05/2024:** Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. A positive setup occurred with the close over the 1st swing resistance. The next downside target is 184.970. The next area of resistance is around 186.350 and 186.650, while 1st support hits today at 185.520 and below there at 184.970.

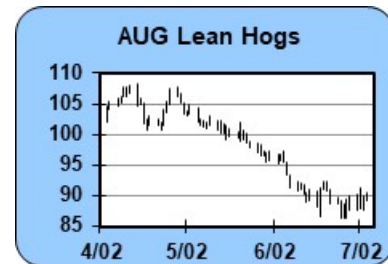
**FEEDER CATTLE (AUG) 07/05/2024:** The daily stochastics gave a bullish indicator with a crossover up. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 266.187. The next area of resistance is around 265.075 and 266.187, while 1st support hits today at 261.675 and below there at 259.388.

# DAILY HOGS COMMENTARY

7/5/2024

## Technicals point higher

While August futures closed strong on Wednesday, December prices fell to a new contract low and had their lowest close in a year. The higher pig production in last week's hog and pig report is pressuring the back months. On August, the reversal higher on June 26 is still in control and projects higher prices. We look for 91.60 on August to be the next stop on the upside. The average hog weight for Iowa-Southern Minnesota as of June 29 was 284.4 pounds, down from 287.1 pounds the previous week and up from 276.7 a year ago. The 5-year average is 280.2 pounds. The CME Lean Hog Index as of July 1 was 89.31 up from 89.17 the previous session but down from 89.85 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 1.427 million head, up from 1.410 million last week at this time and up from 871,807 a year ago. The USDA pork cutout, released after the close yesterday, came in at \$92.39, down \$1.00 from Tuesday and down from \$94.52 the previous week.



China's national average spot pig price as of July 5 was up 0.33% from the previous day. For the week prices are up 4.07%, up 4.07% for the month and up 27.89% year to date and up 29.32% versus a year ago. Dalian live hog futures as of July 05 were down 0.3% from the previous day. For the week prices are unchanged and up 1.25% for the month and up 5.69% year to date.

### TODAY'S MARKET IDEAS:

Our thoughts are unchanged that August futures appear to have turned the corner after the long bearish slide but have yet to fully breakout to the upside. A convincing close over 90.00 would suggest a low is in place. Look for nearby August futures resistance at 91.60. Support is 87.50.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/05/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 91.050. The next area of resistance is around 90.420 and 91.050, while 1st support hits today at 89.220 and below there at 88.620.

### 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
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**MEAT COMPLEX**

LCQ24	185.920	65.15	63.93	83.10	82.20	185.18	185.15	182.83	179.42	177.92
FCQ24	263.375	63.22	59.56	69.27	74.96	260.29	259.99	259.40	257.59	256.64
LHQ24	89.820	48.88	43.95	37.37	46.23	89.32	88.57	89.43	94.91	97.24

Calculations based on previous session. Data collected 07/03/2024

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>						
LCQ24	Live Cattle	184.950	185.500	185.800	186.350	186.650
FCQ24	Feeder Cattle	259.387	261.675	262.787	265.075	266.187
LHQ24	Lean Hogs	88.600	89.200	89.820	90.420	91.050

Calculations based on previous session. Data collected 07/03/2024

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