



DAILY LIVESTOCK COMMENTARY

Thursday July 18, 2024

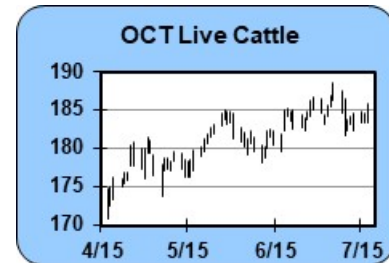
DAILY CATTLE COMMENTARY

7/18/2024

Packers bid better than expected

August live cattle closed stronger yesterday on better than expected cash trade and reached the 50% retracement level at 184.52. Look for next retracement resistance at the 618 level of 185.40. August prices have been unable to break the uptrend convincingly and that appears to have emboldened the bulls to test upside resistance. Packers decided to bid up yesterday and cash cattle sales in Texas were steady with last week at \$188-188.50 and sales in Kansas were \$1.00 lower than last week at \$185-188. There were also a few head sold in Iowa at \$196.

The 5-area, 5-day weighted average for the week is now 194.17, compared to 194.26 at the end of last week. China's June beef imports were 210,000 tonnes, down 10.8% from June a year ago and year-to-date beef imports rose 17% to 1.44 million tonnes. The USDA estimated cattle slaughter came in at 121,000 head yesterday. This brings the total for the week so far to 360,000 head, up from 354,000 last week at this time but down from 368,990 a year ago. The USDA boxed beef cutout was down \$1.18 at mid-session yesterday and closed \$1.10 lower at \$318.16. This was down from \$324.05 the previous week. The previous low was \$317.60 on June 12. The previous high was \$319.26 on July 16.



TODAY'S MARKET IDEAS:

Cash live cattle trade yesterday was near steady with last week and a little better than expected. This brought the buyers back into the market and has pushed prices up to 50% retracement resistance on August. Nearby support is now 183.37 with next retracement resistance at 185.40. Stochastics gave a buy signal after yesterday's strong close.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CATTLE COMPLEX TECHNICAL OUTLOOK:

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LIVE CATTLE (AUG) 07/18/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is now at 180.950. The next area of resistance is around 185.670 and 186.520, while 1st support hits today at 182.900 and below there at 180.950.

FEEDER CATTLE (AUG) 07/18/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 260.337. The next

area of resistance is around 259.625 and 260.337, while 1st support hits today at 257.475 and below there at 256.038.

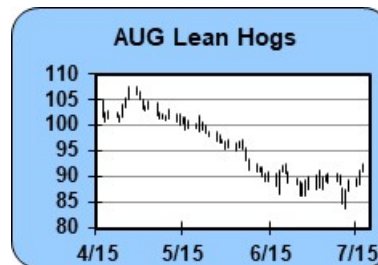
DAILY HOGS COMMENTARY

7/18/2024

China June pork imports down 33.5% year over year

August hogs closed stronger yesterday but didn't quite reach moving average resistance at 93.00, limited by its premium to the cash index. Last week's reversal higher has resulted in nearly a \$10 a rally in the last 5 days. That may be enough for this 1st round of short covering and look for 1st support on a pullback to 88.90. December hogs have moved sharply higher for 2 days in a row and next moving average resistance is 66.70. Technicals have turned higher and further gains are expected. China's June pork imports were 90,000 tonnes, down 33.5% from June of last year and year-to-date pork imports fell 45.3% to 510,000 tonnes.

The average hog weight for Iowa-Southern Minnesota as of July 13 was 284.7 pounds, down from 285.3 pounds the previous week and up from 277.9 a year ago. The 5-year average is 279.6 pounds. The USDA estimated hog slaughter came in at 479,000 head yesterday. This brings the total for the week so far to 1.434 million head, up from 1.415 million last week at this time and up from 1.384 million a year ago. The USDA pork cutout, released after the close yesterday, came in at \$98.11, down \$1.19 from Tuesday but up from \$93.27 the previous week. The CME Lean Hog Index as of July 15 was 88.62 up from 88.42 the previous session but down from 88.67 the previous week.



China's national average spot pig price as of July 18 was down 1.0% from the previous day. For the week prices are up 1.1%, up 7.9% for the month and up 32.5% year to date and up 35.9% versus a year ago. Dalian live hog futures as of July 18 were up 0.5% from the previous day. For the week prices are up 2.9% and up 4.03% for the month and up 8.59% year to date

TODAY'S MARKET IDEAS:

Short covering and a friendly technical outlook has turned prices up this week and December looks poised for further gains after 2 strong days in a row. Retracement resistance is 67.25 and moving average resistance sits at 66.70. August hogs have had a very strong last 5 days and may be ready for a pullback due to its extended premium above the cash index.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (AUG) 07/18/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. 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. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 93.200. The next area of resistance is around 92.370 and 93.200, while 1st support hits today at 90.920 and below there at 90.270.

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	184.270	57.67	56.91	34.52	32.94	182.86	183.23	184.19	181.29	179.61
FCQ24	258.550	50.03	50.08	43.42	45.76	258.65	257.94	258.97	258.53	257.76
LHQ24	91.650	60.84	54.42	59.40	75.72	89.95	88.69	88.63	92.31	95.02

Calculations based on previous session. Data collected 07/17/2024

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	180.920	182.870	183.720	185.670	186.520
FCQ24	Feeder Cattle	256.037	257.475	258.187	259.625	260.337
LHQ24	Lean Hogs	90.250	90.900	91.720	92.370	93.200

Calculations based on previous session. Data collected 07/17/2024

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