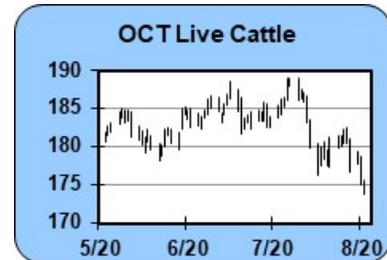




DAILY CATTLE COMMENTARY
8/22/2024

Pasture conditions deteriorating in southern Plains

Yesterday's downward revision of more than 800,000 jobs appeared to have sparked selling early in the session and December live cattle had its 3rd lowest close since the contract came on the board in the summer of last year. Earlier this week, NOAA warned of drought conditions in the southern Plains as temperatures have been above normal and precipitation has been very limited, hurting pasture conditions. Key support for December live cattle is the contract low at 172.25 and prices got within \$1 of that level yesterday. Feeder cattle, on the other hand, were able to close higher yesterday after probing into new contract lows, which may be an indication live cattle prices are ready for a recovery bounce. Cash cattle trade yesterday in Texas and Kansas was down \$2 from last week and \$3 in the north. The 5-area, 5-day weighted average for the week is 187.80, down from 188.68 at the end of last week. Tomorrow afternoon's Cattle On Feed report is expected to show 100% of last year on feed, placements at 104% and marketings 108%. The USDA estimated cattle slaughter came in at 122,000 head yesterday. This brings the total for the week so far to 363,000 head, up from 356,000 last week at this time but down from 366,256 a year ago.



TODAY'S MARKET IDEAS:

December cattle sold off further yesterday but stopped short of making a new contract low. Cash trade was weaker once again and tomorrow afternoon's Cattle on Feed report is expected at 100% on feed, placements 104% and marketings 108%. Feeder cattle were able to close higher after new contract lows yesterday and that may be a supportive factor for live cattle today. Key support remains at 172.25. Look for resistance at 175.95.

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 (OCT) 08/22/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 172.670. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 175.620 and 176.700, while 1st support hits today at 173.620 and below there at 172.670.

FEEDER CATTLE (SEP) 08/22/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next

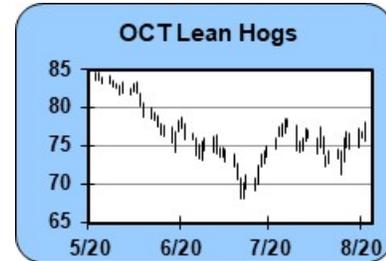
downside target is 232.325. The next area of resistance is around 237.125 and 238.125, while 1st support hits today at 234.225 and below there at 232.325.

DAILY HOGS COMMENTARY

8/22/2024

Low range close yesterday hints at pullback

December hog prices closed low range yesterday after hitting a 2-week high early in the session. Strong resistance is expected at the 2-month high of 70.55. If nearby support at 67.50 gives way today, December prices could slip down to retracement support at 66.40 or 65.70. Pork export sales were weaker than expected this morning. The CME Lean Hog Index as of August 19 was 89.71 down from 89.95 the previous session and from 90.34 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 1.446 million head, unchanged from last week at this time but up from 1.409 million a year ago. Pork cutout value fell 2.99 yesterday to 94.55.



TODAY'S MARKET IDEAS:

Yesterday's low range close on December hogs may encourage selling this morning and first pullback support is 66.40. Fundamental news is limited but weekly pork export sales were poor for the 2nd week in a row, down 7% from last week and down 34% from the 4-week average. So far, the lower US Dollar is not translating into improved pork export demand.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

PORK COMPLEX TECHNICAL OUTLOOK:

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LEAN HOGS (OCT) 08/22/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 78.950. The next area of resistance is around 77.350 and 78.950, while 1st support hits today at 74.950 and below there at 74.120.

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										
LCV24	174.620	27.91	32.31	23.73	16.98	176.89	179.15	180.80	183.30	182.93
FCU24	235.675	30.47	31.93	16.78	14.68	237.24	240.03	243.80	253.02	254.57
LHV24	76.150	53.94	52.58	64.15	71.38	76.11	75.33	75.41	74.68	75.89

Calculations based on previous session. Data collected 08/21/2024

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						
LCV24	Live Cattle	172.650	173.600	174.670	175.620	176.700
FCU24	Feeder Cattle	232.325	234.225	235.225	237.125	238.125
LHV24	Lean Hogs	74.100	74.920	76.520	77.350	78.950

Calculations based on previous session. Data collected 08/21/2024

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