

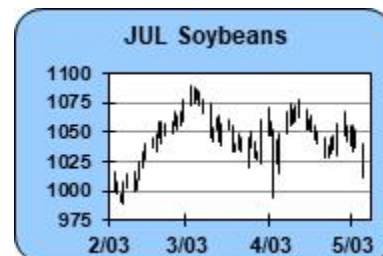
### DAILY SOY COMPLEX COMMENTARY

05/08/18

**China demand fears persist and market lacks tightness fears**

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):  
SOY BEANS +5.0, BEAN OIL -0.1, SOYMEAL +1.8**

**OVERNIGHT DEVELOPMENTS:** July soybeans are trading 5 cents higher this morning. Malaysian palm oil futures are down slightly this morning but managed to rally to the highest level since April 25th overnight. Dalian soybean futures were down 1.9% and pushed down to the lowest level since late March. There were 68 soybean contracts delivered against the May futures to push the total for the month to 970 contracts. There were no meal or oil deliveries overnight. Global equity markets overnight were mixed with Asian and Australian markets higher while the rest of the markets were generally lower. Overnight Chinese April exports jumped by 12.9% over year ago levels while imports soared a spectacular 21.5% over year ago levels. However with the Chinese April trade surplus pegged at \$28.7 billion and the April trade surplus with the US widening to \$22.1 billion from just \$15.4 billion in March it is possible the world could expect some tweets/railing from the US President and a rekindling of trade war barbs. Also out overnight were some key data points for a German economy that recently posted disappointing figures with Germany's industrial output expanding more than expected for the month of March. In fact German industrial output showed the strongest gain in roughly 6 months and that might help the Germans get beyond what was feared to be a slowdown in the first quarter. The German trade balance was also released overnight at \$22 billion which was a larger surplus than expected and bigger than the prior month's result. Also released overnight were UK Halifax house prices which contracted much more than expected on a month over month basis. However UK Halifax house prices on a quarterly basis were positive versus year ago levels but still weaker than expectations. The North American session will start out with a weekly private survey of same-store sales and a monthly private survey of economic optimism. The March job opening and labor turnover (JOLTS) survey is forecast to show a moderate downtick from February's 6.052 million reading.



**NEAR-TERM MARKET FUNDAMENTALS:** The market is seeing a recovery bounce overnight but China demand is sluggish and the lack of a bullish story from the new crop supply/demand outlook for the coming year without help from weather has helped to hold the market in a long liquidation selling trend. The China National Grains and Oils Information Center sees 2018 soybean acreage up 8.8% from last year as corn acres slip 1.3%. China April imports were just 6.9 million tonnes which was well below trade expectations. Delays were seen from increased port inspections and a tax change. As of May 1st, the VAT tax drops by 1% and this may help to push demand into May. July soybeans fell to a four week low yesterday and experienced the lowest settlement since February 9th. The July/November soybean spread settled at a new contract low of -6 1/2 cents. Weakness continues from the US/China trade tensions as US trade officials returned from Beijing last Friday without much progress made. Major concerns remain on the slowing of Chinese soybean imports with exports inspections destined for China down 20% from last year. Total soybean export inspections are down 11.3% from last year so far.

The weekly export inspections for soybeans came in at 533,667 tonnes. As of May 3rd, cumulative soybean export inspections have reached 78.4% of the USDA forecast for the entire season versus a 5 year average of 88.9%. The weekly progress report showed that plantings are 15% complete compared to 5% last week and 13% last year. The 10 year average for this time of year is 14%. The top producing state of Illinois is well ahead of average at 29% planted compared to the five year average of 12%. Iowa is 12% compared to the five year average of 11% and Indiana is 23% planted compared to the five year average of 9%. For the USDA report Thursday, the average estimate for 2017-18 ending stocks is 546 million bushels (range of 495-618 million) and compared with the current estimate of 550 million last month. The 2018-19 ending stocks are expected to come in

near 533 million bushels (range of 342-744 million bushels). The average estimate for Argentina's soybean production is 38.4 million tonnes (range of 36-40 million) and compared with the USDA last month at 40 million tonnes.

Brazil's production estimate is at 116.3 million tonnes (range of 114.90 to 119 million) as compared with 115 million last month. Conab's average estimate for Brazilian production is at 117.5 million tonnes. World ending stocks for the 2018/19 season are expected at 91.2 million tonnes as compared with the average trade estimate of 89.8 million for the 2017/18 season. The managed money trader length in soybean meal increased by 28,128 contracts in the last week to a record 133,549 contracts as of May 1st. While there definitely is a meal story with Argentina's production likely to be lowered still, the extreme overbought condition helped to spark selling yesterday. The managed money trader length in soybeans, while not a record, is still large at 177,047 contracts as of May 1st. Both markets needed to shake the tree of recent high price longs and the disappointment from the US/China trade talks was a perfect excuse.

#### **TODAY'S MARKET IDEAS:**

Chinese demand is slowing with crush margins weakening and soymeal inventories rising. However, the soymeal story will likely have a long tail that will not be solved quickly. Argentina's production could be 25 million tonnes lower than last year. Support for July meal is at 382.40 and 378.30. Resistance is at 391.20 and 394.10. Key support for July soybeans is at 1013 and 1009 1/2, with 1032 1/4 resistance.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

Long the July/December soybean meal spread from +10.60, with an objective of +22.60. Risk to a close under +6.40.

#### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

**SOYBEANS (JUL) 05/08/2018:** Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 989 1/4. The next area of resistance is around 1026 and 1047 1/2, while 1st support hits today at 997 and below there at 989 1/4.

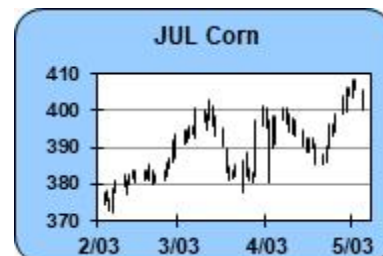
**SOYBEAN OIL (JUL) 05/08/2018:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 31.11. The next area of resistance is around 31.00 and 31.11, while 1st support hits today at 30.74 and below there at 30.58.

**SOYMEAL (JUL) 05/08/2018:** The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 374.7. The next area of resistance is around 387.6 and 395.2, while 1st support hits today at 377.4 and below there at 374.7.

#### **DAILY CORN COMMENTARY**

**05/08/18**

**Massive two-year drop in world ending stocks from record to tight**



**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):  
CORN +0.4**

**OVERNIGHT DEVELOPMENTS:** July corn is trading 1 1/4 cents higher this morning. Dalian corn futures are slightly higher today. Outside market forces are bearish with a continued advance in the US dollar. There were 314 contracts delivered against the May futures today which pushed month-to-date deliveries to 2,416 contracts.

**NEAR-TERM MARKET FUNDAMENTALS:** With the potential to see a massive decline in world ending stocks for the second year in a row for the 2018/19 season, corrective breaks still look like buying opportunities. Brazil production is also likely to be adjusted significantly lower from the current USDA estimate and there is a lack of rain until into the weekend but mostly next week. Long liquidation was the theme in the corn market yesterday. The market remains in a longer term uptrend but with trend following managed money traders increasing their net length by 63,440 contracts last week to 186,317 contracts, some liquidation was seen. The weaker tones in the soybean and wheat markets also pulled corn down yesterday. Weekly export inspections were well above analyst expectations and was the second largest ever behind only April 5th of this years' figure of 1.940 million tonnes. Inspections came in at 1,916,461 tonnes. As of May 3rd, cumulative corn export inspections have reached 58.7% of the USDA forecast versus a 5 year average of 60.4%.

The weekly corn planting report showed 39% complete compared to 17% last week and 45% last year. The 10 year average for this time of year is 47%. The highest percent complete was 75% in 2010 while the lowest was 10% in 1984. This was just above the estimates of 37% planted with producers catching up in the central and southern corn-belt states. Illinois is 74% planted versus 32% last week, Indiana is 42% planted versus 8% last week and Iowa is 40% planted versus 17% last week. The northern corn-belt states are behind and may continue to drag with the wet forecast over the next seven days. Wisconsin is just 15% planted compared to the five year average of 25%, Minnesota is 9% planted versus 44% five year average, Michigan is 14% versus 17%, North Dakota is 7% versus 24% and South Dakota is 6% versus 33%. While it's still the first week of May, the trade will not get nervous about a few states that are behind schedule. The latest 6-10 and 8-14 day forecast has above normal temperatures with below normal precipitation for the northern corn-belt from May 13-21.

The average estimates for Thursday's USDA report has 2017-18 ending stocks at 2.176 billion bushels as compared with the current estimate of 2.182 billion. 2018-19 ending stocks are expected to come in near 1.631 billion bushels with a range of 1.411 to 1.907 billion. Argentina's soybean production is estimated at 32.2 million tonnes (range of 31-33 million) and compared with the USDA's last month at 33 million tonnes. Brazilian corn production is estimated at 88.6 million tonnes (range of 83.9 to 92.0 million) and compared with 92.0 million last month. The Conab average estimate for Brazilian corn production is a bit lower at 86.7 million tonnes compared to their April estimate at 88.6 million tonnes. Agrural has lowered their Brazilian winter corn production to 57.2 million tonnes from 59.9 million last month due to severe drought in the Center-South region. World ending stocks for the 2018/19 season are expected at 183.6 million tonnes compared with the average trade estimate of 194.8 million tonnes for the 2017/18 season. We see a drop of near 40 million tonnes. Another scheduled meeting is on tap for today with President Trump and US Senators at the center of the Renewable Fuels Standard. At issue continues to be the increase in RFS waivers for oil refineries versus allowing E15 fuel to be sold all year round.

**TODAY'S MARKET IDEAS:**

July corn has given back almost all of last week's gains with support at 400 1/2 and retracement support at 396 1/2. The big jump in length from the managed money traders last week was seen a negative force causing some liquidation. However, with positive news from the USDA on Thursday from 2018-19 US ending stocks and 2018-19 world stocks prices may try and find an equilibrium level. December corn support is at 416 1/2 and 410 3/4 with 434 3/4 as next upside target.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

1) Long the July corn 390/420 bull call spread from 9 1/4 cents with an objective of 29. Risk a total of 5 1/2 cents from entry. 2) Short 1 December Corn \$4.10 straddle (sold \$4.10 call and \$4.10 put) from 56 1/8 and long 10 December Corn \$5.00 calls from 5 1/2 cents each. The net premium received is at 1 1/8. Use as an objective of +90 cents on the spread and risk a loss of 10 1/2 cents.

## CORN TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

CORN (JUL) 05/08/2018: The daily stochastics have crossed over down which is a bearish indication. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 396 1/2. The next area of resistance is around 403 1/2 and 407 1/4, while 1st support hits today at 398 and below there at 396 1/2.

## DAILY WHEAT COMMENTARY

05/08/18

Could see more issues in plains ahead with a mostly dry forecast

### OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

WHEAT +0.0

**OVERNIGHT DEVELOPMENTS:** Chicago July wheat is down 2 cents overnight and KC wheat is down 2 cents. Outside market forces are weak with the jump in the US dollar. There were no wheat contracts delivered against the Chicago May futures so far this month, and there were no contracts delivered for KC wheat overnight.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat markets saw some back and fill action yesterday with a 13 cent break in Chicago and Kansas City July wheat down 16 1/4. Weakness was tied to a stronger US dollar and expectations of an increase in winter wheat conditions. The weekly winter wheat conditions report showed 34% was rated good/excellent compared to 33% last week and 53% last year. The 10 year average for this time of year is 48%. Not much change in the hard red wheat states: Kansas good/excellent (G/EX) went up 1% to 14% and Colorado went up 4% to 53%. Texas and Oklahoma were unchanged in their G/EX ratings at 16% and 9% respectively. Oklahoma poor/very-poor (P/VP) went up 2% to 68%, Texas P/VP went down 1% to 60% and Kansas P/VP was unchanged at 50%. Kansas winter wheat headed was 19% compared to 57% last year and 41% average. Oklahoma headed was 80% compared to 88% last year and 79% average. All winter wheat headed was 33% versus 41% average. The latest 6-10 and 8-14 day forecast continues to show heat in Kansas, Oklahoma, Colorado and Texas over the next two weeks. Precipitation is seen in Texas at the tail end of the two week period. Talk of heavy abandonment in parts of Kansas, Oklahoma and Texas already with a drier pattern likely to place even more acreage at risk of being abandoned.

The weekly Spring Wheat Planting report showed 30% complete compared to 10% last week and 51% last year. The 10 year average for this time of year is 52%. The forecast going forward is conducive to for spring wheat plantings with the latest 6-10 and 8-14 day forecast showing warmer and drier conditions for the next two weeks. A weaker tone yesterday was also due to sluggish weekly export inspections that came in at 327,662 tonnes. As of May 3, cumulative wheat export inspections for the 2017-18 marketing year have reached 88.4% of the USDA forecast versus a 5 year average of 90.8%. The average estimates for Thursday's report has 2017-18 ending stocks at 1.068 billion bushels. The 2018-19 ending stocks are expected to come in near 932 million bushels with a range of 780 million to 1.070 billion bushels. Traders see total US All Wheat production for the 2018/19 season near 1.774 billion bushels (range of 1.612 to 1.860 billion) as compared with 1.741 billion bushels for the 2017-18 season. World ending stocks for the 2018/19 season are expected at 269.18 million tonnes as compared with the average trade estimate of 271.0 million tonnes for the 2017/18 season.

### TODAY'S MARKET IDEAS:

Chicago July wheat extended lower yesterday and is now some 17 cents off last week's high of 538 1/2. The managed money trader category covered 26,011 contracts in the last week and are short just 28,702 contracts as of May 1st. This is the smallest net short position since August 8th, 2017. The managed money trader left their

net long in Kansas City wheat basically unchanged at 39,231 contracts. We continue to like owning the Kansas City July/Chicago July intra-market spread with large hard red wheat abandonment expected. The support zone is between 26 1/2 and 22 1/2 with an initial target of 39 1/2 cents and possibly a test of the swing high objective of 52 1/2 cents. July KC wheat close-in support is at 531 3/4. Resistance is at 551 1/2 and 555 1/2.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

WHEAT (JUL) 05/08/2018: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 501. The next area of resistance is around 518 1/4 and 527 3/4, while 1st support hits today at 504 3/4 and below there at 501.

KC WHEAT (JUL) 05/08/2018: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 527 1/4. The next area of resistance is around 547 1/4 and 558 1/4, while 1st support hits today at 531 3/4 and below there at 527 1/4.

MINN WHEAT (JUL) 05/08/2018: The close below the 60-day moving average is an indication the longer-term trend has turned down. The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The near-term upside target is at 627. The next area of resistance is around 618 and 627, while 1st support hits today at 604 and below there at 599.

RICE (JUL) 05/08/2018: The major trend has turned down with the cross over back below the 40-day moving average. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 12.604. The next area of resistance is around 12.877 and 13.033, while 1st support hits today at 12.663 and below there at 12.604.

**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
<b>GRAIN COMPLEX</b>										
CNAN8	400 3/4	54.31	55.67	82.82	82.67	405.00	401.78	396.32	394.00	391.60
CNAZ8	416 1/2	55.56	56.94	83.13	83.21	419.88	417.08	412.28	408.41	405.85
SSAN8	1011 1/2	31.43	36.71	37.71	25.24	1036.13	1042.36	1046.51	1048.79	1048.70
SSAX8	1018	35.03	40.22	49.95	35.20	1036.38	1039.53	1040.25	1036.86	1033.95
SMAN8	382.5	42.20	46.92	63.83	55.49	393.88	392.53	386.92	382.34	380.84
BOAN8	30.87	42.38	40.84	23.28	32.26	30.76	30.76	31.16	31.73	31.89
WHAN8	511 1/2	53.39	54.75	80.22	78.33	525.63	514.36	499.63	493.18	492.42

WHAU8	528 3/4	54.16	55.38	80.40	79.08	541.38	530.36	516.71	509.93	508.84
RCAN8	12.770	37.87	43.97	44.24	27.93	12.94	12.99	13.04	12.76	12.71
KWAN8	539 1/2	53.70	55.00	77.54	76.85	554.56	542.97	525.74	520.56	519.28
MWAN8	611	45.42	47.38	61.54	65.23	622.13	616.22	615.90	614.97	617.66
OTAN8	236 1/4	51.47	47.43	59.85	69.37	236.06	234.14	235.07	242.54	248.86

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAN8	Corn	396 1/2	398	402	403 1/2	407 1/2
CNAZ8	Corn	412 1/4	414	417 1/4	419	422 1/4
SSAN8	Soybeans	989 1/4	997	1018 1/2	1026	1047 3/4
SSAX8	Soybeans	999	1005 3/4	1023 1/2	1030 1/4	1048
SMAN8	Soymeal	374.6	377.3	384.9	387.6	395.2
BOAN8	Soybean Oil	30.57	30.73	30.84	31.00	31.11
WHAN8	Wheat	501	504 3/4	514 1/2	518 1/4	528
WHAU8	Wheat	518 3/4	522 1/2	531 1/4	535	543 3/4
RCAN8	Rice	12.603	12.662	12.818	12.877	13.033
KWAN8	KC Wheat	527 1/4	531 3/4	542 3/4	547 1/4	558 1/4
MWAN8	MINN Wheat	599	604	613	618	627
OTAN8	Oats	234 3/4	235 1/2	236	237	237 1/4

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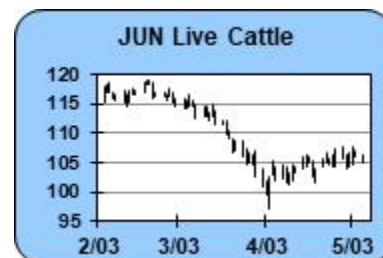
## DAILY CATTLE COMMENTARY

05/08/18

### Beef prices up to highest since June 28th in spite of supply

Ideas that the cash market has peaked and should see a steep downtrend into the late summer has kept the market on the defensive over the past few days. There were 629 head sold in Texas/Oklahoma market at \$120.00 yesterday, down near \$6.00 from last week. The USDA estimated cattle slaughter last week reached 647,000 head, up from 623,000 the previous week and up 5.2% from a year ago. Beef production last week was up 8.3% from last year and the "reason" for the big discount. The jump in slaughter to levels well above last

year should continue in the next few months and weigh on the cash market. Short-term, demand remains very strong but the increasing supply trend will be a key bearish force once the spring beef demand surge from consumers subsides. June cattle closed moderately lower on the session yesterday as traders fear increasing supply ahead and traders suspect that the jump in production will cool down the beef price rally. Ideas that the June contract is already accounted for the cash trend ahead helped to provide underlying support. However, the June basis just narrowed \$6.00 and traders will be cautious.



USDA boxed beef cutout values were up 53 cents at mid-session yesterday and closed 84 cents higher at \$229.14. This was up from \$224.42 the prior week and the highest beef market since June 28th of last year. Exceptional demand has helped to provide underlying support to the market so far this year as consumer confidence, disposable income increases and very low unemployment have combined to spark the strong demand. The USDA estimated cattle slaughter came in at 119,000 head yesterday. This was up from 118,000 last week and up from 115,000 a year ago as this time. On top of very high feedlot supply, the market is seeing increased slaughter due to drought conditions in parts of the southern plains and cow slaughter which is running well above recent years.

### TODAY'S MARKET IDEAS:

With the increasing supply clashing with the strong demand, we would be more concerned over the possibility of

sharply lower trade ahead "if" fund and spec traders held a large net long position. However, large and small specs combined hold a net long position of just 13,942 contracts as compared with the record net long of 131,405 contracts. Short-term, we see very strong demand as an offset to rising supply. June cattle support is 103.72, with 107.00 and 107.62 as resistance.

**NEW RECOMMENDATIONS:**

Short June Cattle 103.00 put from 152 with an objective of zero. Risk a total of 55 points from entry.

**PREVIOUS RECOMMENDATIONS:**

None.

**CATTLE COMPLEX TECHNICAL OUTLOOK:**

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

LIVE CATTLE (JUN) 05/08/2018: The close under the 40-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 1st swing support could weigh on the market. The next downside objective is now at 103.950. The next area of resistance is around 105.870 and 106.770, while 1st support hits today at 104.470 and below there at 103.950.

FEEDER CATTLE (AUG) 05/08/2018: The close under the 40-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 141.275. The next area of resistance is around 145.175 and 147.175, while 1st support hits today at 142.225 and below there at 141.275.

**DAILY HOGS COMMENTARY**

05/08/18

**Strong demand trend opens door for choppy/higher trend ahead**

A surge in the pork cut-out value to the highest level since March 20th suggests that demand is quite strong and that supply is not too burdensome at present. The CME Lean Hog Index as of May 3rd was 63.13, up 20 cents from the previous session and up from 61.75 the previous week. This leaves June hogs at a normal premium to the cash market. June hogs closed higher on the session yesterday, but near the middle of the range. A strong demand tone and ideas that the cash market trend could stay up over the near-term helped to support. The firm trade for pork product prices has helped packer margins and could support a further bounce in cash over the near-term. USDA pork cutout values, released after the close yesterday, came in at \$71.10, up \$2.40 from Friday and up from \$68.30 the previous week. Loins, hams and bellies were all up significantly. The previous high was \$71.73 on March 20th. The USDA estimated hog slaughter came in at 449,000 head yesterday. This was down from 458,000 last week but up from 432,000 a year ago as this time. US pork exports for the month of March hit an all-time record high for any month at 538.1 million pounds. South Korea imports jumped to a record high 87.7 million pounds from 66.9 million the previous month.



**TODAY'S MARKET IDEAS:**

June hogs have consolidated over the past week and there seems to be enough positive demand news to support a choppy to higher trade over the near-term. Support for June hogs comes in 73.30 and 72.75, with 75.65 and 76.45 as resistance.

**NEW RECOMMENDATIONS:**

None.

### PREVIOUS RECOMMENDATIONS:

Short June Hog 71.00 put from 142 with an objective of zero. Risk a total of 50 points from entry.

### PORK COMPLEX TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

LEAN HOGS (JUN) 05/08/2018: Daily stochastics are trending lower but have declined into oversold territory. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next downside objective is 72.270. The next area of resistance is around 75.050 and 75.850, while 1st support hits today at 73.270 and below there at 72.270.

### 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
<b>MEAT COMPLEX</b>										
LCM8	105.150	49.26	48.23	69.76	66.46	105.65	105.72	104.99	106.72	109.22
FCQ8	143.700	43.97	46.24	59.86	50.46	145.26	145.88	145.59	144.97	146.97
LHM8	74.150	46.18	45.12	25.40	23.41	73.68	73.70	75.39	75.95	77.17

Calculations based on previous session. Data collected 05/07/2018

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### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>MEAT COMPLEX</b>						
LCM8	Live Cattle	103.920	104.450	105.350	105.870	106.770
FCQ8	Feeder Cattle	141.275	142.225	144.225	145.175	147.175
LHM8	Lean Hogs	72.250	73.250	74.050	75.050	75.850

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

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