



Archer Financial Services, Inc.

DAILY LIVESTOCK REPORT

By Dennis Smith

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LEAN HOGS

Cash hogs are looking firm to higher again today. Cash has seemingly turned an important corner, edging higher every day this week. The index should bottom with the last quote 5302. April hogs go off the board Friday with settled yesterday at 5330. The product remains sloppy with tightening butcher hog supply occurring before demand for pork has improved on a seasonal move. Demand will improve. Weekly pork export sales, at 21,800 MT, were down 5% from the 4-week average. Note that China canceled 4,000 MT, evidently part of the trade flap. Not to worry. The growth in pork exports last year occurred despite the fact that exports to China/Hong Kong were down significantly (18% I believe). Growth in exports is projected again this year and should occur without Chinese business. Export shipments were down 2%.

LIVE CATTLE

I've not been able to confirm this yet but I'm hearing that cattle traded late yesterday in KS at \$1.18. That would be up from the reported trade of 116-117. It would appear packers will make a move today to secure inventory. Weekly beef export sales were outstanding, at 21,800 MT, up 33% from the 4-week average. Shipments were down 4%. Packers are discounting the product to move and buyers appear to be responding. Strong seasonal beef demand (domestic) has yet to develop in the face of a lousy spring season. The northern plains is bracing for a massive snow storm. We are bullish the discounted LC contracts and we're bullish FC based on the April snow storm, tight supplies of feeders outside the feed yards and the potentially bullish chart pattern.

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