

Friday, May 24, 2013

Hog Prices: ↑ ↓ Soymeal: ↓
Corn: ↓ CDN Dollar: ↑

US Slaughter	
413,000	Thursday
416,000	Thursday (year ago)
W. Corn Belt	\$90.22
National Price	\$93.77
Daily Sig 3	\$170.50
Daily Sig 4	\$171.61
Thunder Creek	\$170.40
4-Month Fwd.	\$163.97
1 Export Sows (+500lbs)	\$ 48.00 cwt.
B of C Ex. Rate (Noon)	
\$1.0310 CAD/\$0.9699 USD	
Cash Prices: Week Ending May 24, 2013	
Signature 3	76.62/168.91
Signature 4	77.54/170.94
h@ms Cash	76.86/169.44
Hylife	n/a
Thunder Creek	75.61/166.70
ISO Weans	\$27.24 US Avg.
Feeder Pigs	\$55.52 US Avg.

Forward contract prices opened mixed this morning. US cash markets are finishing the week near the same levels as they started, however significant volatility was experienced in some regions. US packers are killing about 2.05 million hogs this week, in line with year ago numbers but the slaughter may have shifted away from some of the smaller plants that operate as standalone facilities. The US celebrates Memorial Day on Monday which typically correlates well with improved prices for fresh pork destined for barbecues. The pork cut-out has found some support from loins over the last week, but the rib primal remains stagnant. Lean Hog futures are seeing gains early this morning with summer and fall prices touching the highest levels since mid-February. When combined with the influence of the weak Canadian Dollar, forward prices are providing good value at the highest level in 3 months. Please note that the h@ms Risk Management Department will be closed Monday due to the markets being closed in observance of US Memorial Day.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading mixed. Prices remained supported yesterday on news of strong export sales, Chinese market 'activity', and the ongoing tightness in US supplies. Analysts note that the strength in the soybean trade saw prices pushed to their highest levels since September 2012. At the close, there were hints of a sell-off amid profit taking. However, the market remains supported; a function of the tightness in old crop stocks and rumors of a lower than expected carryout.

Canadian delivered corn prices opened lower this morning. US corn futures are trading mixed. 'Two-way', 'choppy' and 'volatile' are used to describe the trade as of late. However, analysts note that there is a semblance of a trend which is generally bullish in the short term (based on nearby fundamentals), and cautiously bearish for the new crop as analysts expect between 85% and 90% planted as of next week's Crop Progress report. Feed forward contracting will be suspended Monday as a result of the US holiday.

Fixed Forward Range	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
(Maple Leaf Sig. #3)		171.58 173.95	169.87 172.24	160.29 168.58	152.22 154.12	152.23 153.66	137.99 144.18	140.85 143.70	142.37 148.12	148.60 151.95
(Maple Leaf Sig. #4)		170.28 173.58	169.83 171.11	163.21 168.58	153.29 160.09	149.72 154.33	140.08 148.19	142.11 145.80	143.25 146.40	149.00 152.15
Soymeal Delivered	555	555	556	562	562	431	429	429		
Corn Delivered	289	291	293							

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