



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

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

www.hamsmarketing.ca

Friday, September 19, 2014

Forward contract prices opened higher this morning. US cash markets are finishing this week with higher bids, as tight supplies continue to translate into stronger pork product values. While the cash market has made steady gains amounting to about 6% over the week, the trend in wholesale pork has been quite choppy. The pork cut-out spiked more than \$4.00/cwt in yesterday's trade with support coming from the Loin, Ham and Belly primal cuts. This gain had the effect of changing the trend in the nearby Lean Hog futures from lower to higher, as traders were starting to factor in ideas of larger numbers over the next 3 weeks. However, the development of sharply higher pork product values puts these views into question, and underscores the uncertainty in supply that remains in the market. The Canadian Dollar is trading higher this morning, on news of Canada's inflation rate running near 2% for July and influence from news that Scotland voted to stay part of the United Kingdom. Earlier this week, investors received confirmation from the US Federal Reserve that the low interest rate environment is not expected to change for at least another year.

Canadian delivered soymeal prices opened lower this morning. Soybean prices continue to fall with the nearby contract making another new contract low. Good harvest weather in the forecast combined with ideas of the US average soybean yield pushing over 48 bushels/acre are the main factors feeding the bearish trend. With an average yield better than 48 bus/acre, ending stocks are projected to increase by about 25% over current projections.

Canadian delivered corn prices opened even this morning. US Corn futures are dealing with comparable factors as soybeans right now with early reports from the field reflecting better than expected yields. Good harvest weather is expected to tax the transportation system over the next few weeks, which will likely result in near term weakness in cash corn values.

US Slaughter	
415,000	Thursday
430,000	Thursday (year ago)
W. Corn Belt	\$104.71
National Price	\$103.54
Daily Sig 3	\$210.09
Daily Sig 4	\$201.16
Thunder Creek	\$209.94
4-Month Fwd.	\$178.35
B of C Ex. Rate (Noon)	
\$1.0946 CAD/ \$0.9135 USD	
Cash Prices Week Ending September 20, 2014	
Signature 3	95.09/209.64
Signature 4	90.55/199.63
h@ms Cash	89.87/198.13
Hylife	Not Available
Thunder Creek	93.08/205.20
ISO Weans	\$60.57 US Avg.
Feeder Pigs	\$79.95 US Avg.
#1 Export Sows (+500lbs)	not available

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		198.87 202.39	174.11 182.15	175.62 181.64	167.25 172.78	165.74 174.29	167.25 170.77	171.03 174.05	173.50 180.54	178.53 184.56	184.43
Maple Leaf Sig. #4		196.86 199.78	173.08 183.00	177.16 180.86	165.37 171.61	165.47 172.58	165.47 169.17	168.93 171.07	170.64 178.62	176.87 181.74	181.05
Soymeal Winnipeg Delivered	600	414	403	403	400	399	399				
Corn Wpg, Delivered	155	155	163	168	168	168	171				

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STRENGTH IN NUMBERS



Some Important h@ms Marketing Phone Numbers

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Forward Contracting: 204-235-2237

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