



Hog Margin Outlook

Meeting Your Marketing Needs

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

www.hamsmarketing.ca

Monday, September 21, 2015

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

Forward contract prices opened higher this morning. Despite the large supplies available and being processed, US cash markets are resilient and trading steady to start the week. The major reporting regions are mixed today with ISM and National higher by \$0.21 and \$0.10 USD respectively, and WCB lower by \$0.32. The sustained support is not typical at this time of year, but is currently thought to be a function of exceptional packer profitability coupled with demand from large retailers who are widely expected to offer specials on pork in the month of October. Lean hog futures have started the week off stronger, showing support across all offered contracts as of this writing. Like the cash market, the futures market is enjoying some counter-seasonal support and will likely do so until some sustained pressure on the pork cutout and/or the cash markets materializes. In the meantime, the futures markets are called steady as the trade approaches the USDA's Cold Storage (Tuesday, September 22) and Quarterly Hogs and Pigs report (Friday, September 25) this week.

Canadian delivered soymeal prices opened mixed this morning. An expected announcement by the Chinese Prime Minister this week committing to 110 million US bushels along with decent demand from the region is supportive. A large fund repositioning is also providing support. However, fundamental news is generally bearish and forecast weather for finishing and harvesting looks favourable; the trade expects this afternoon's Crop Progress report to show 4% completed as the harvest gets under way. As well, preliminary estimates on the September 30 Grain Stocks report is expected to come in at 210 million bushels that while lower than previous, is still much better compared to the exceptionally tight 92 million last year.

US corn futures opened higher this morning. Today's support is in part a function of fund activity following reports of a large 'long' repositioning (+22,535 positions). There is talk that this move signals the larger funds think stocks will be tighter in the mid to long-term this season. On the other hand, traders are expecting September 1 corn stocks (reported on Sept. 30) to show larger reserves than last year, 1.7 billion bu. compared to 1.2 billion bu. in 2014 and for now, the export picture is relatively weak amid competition from Argentina and Brazil and strength in the USD. The market is expecting the corn harvest to come in at 11%, up 5% from last week.

US Slaughter	
2.278 mil.	Last Week
2.040 mil.	Last Week (year ago)
W. Corn Belt	\$68.15
National Price	\$71.88
Daily Sig 3	\$164.23
Daily Sig 4	\$167.73
Thunder Creek	\$165.31
4-Month Fwd.	\$ 147.02
B of C Ex. Rate (Noon)	
\$1.3147 CAD / \$0.7606 USD	
Cash Prices Week Ending September 19, 2015	
Signature 3	163.41/74.12
Signature 4	169.53/76.90
h@ms Cash	161.91/73.44
Hylife	167.48/75.97
Thunder Creek	161.60/73.30
ISO Weans	\$31.69 US Avg.
Feeder Pigs	\$41.05 US Avg.
#1 Export Sows (Tagged)	n/a (+500lbs.)

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		146.01 165.66	136.92 142.98	142.37 146.62	141.69 151.38	155.02 158.04	155.43 159.06	159.67 166.45	171.65 181.31	182.52 188.56	182.06 189.16
Maple Leaf Sig. #4		154.08 168.40	143.27 151.02	147.03 150.79	145.65 152.69	156.45 159.73	158.14 160.95	161.89 167.27	170.78 181.54	182.01 186.22	185.54 189.49
Soymeal Winnipeg Delivered	487	487	481	481	479	476	476				
Corn	Local delivered price available on request										

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.

Pre-register for Brandon Hog Days and save \$100!

Early Bird registration fee until Sept. 30 is \$350

Registration links available at www.hogdaysbrandon.ca

Or phone Everlito at 204-346-6080

This year's event to be held on December 2, 2015

