



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, May 04, 2016

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

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

US Slaughter	
430,000	Tuesday
419,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$71.52
National	\$72.63
Iowa/S. MN.	\$71.64
Signature 3	\$166.31
HyLife	\$160.39
Thunder Creek	\$166.22
Sig 3 4-Month Fwd.	\$ 176.38
BoC Rate (Noon) prev. day \$1.2686 CAD / \$0.7883 USD	
Cash Prices Week Ending April 30, 2016	
Signature 3	157.23/71.32
h@ms Cash	155.73/70.64
HyLife	155.53/70.55
Thunder Creek	151.90/68.90
ISO Weans	\$38.85 US Avg.
Feeder Pigs	\$71.96 US Avg.
#1 Export Sows (+500lbs.)	\$41.00/cwt. (Tagged)

Forward contract prices opened higher this morning. US cash markets are expected to come under pressure this morning, after solid gains over the last week. Wholesale pork prices took back some of their gains with weakness seen in the loin and ham primal cuts, which have been where most of the gains have come from in the last week. After a spike in hog numbers about 10 days ago, the flow of animals to market is running consistent with USDA Hogs and Pigs estimates. After big gains in Lean Hog futures the first two days of this week on cash market strength, traders are taking back some value. Any gains beyond yesterday's highs are contingent on cash market support and positive results on tomorrow's export sales report, with the primary focus on sales to China. A weaker Canadian Dollar is providing a cushion to the hog market losses, with the Loonie dropping more than 2 cents over the last two days. A recent downturn in oil prices and ideas of rising US interest rates are contributing to the bearish move.

Canadian delivered soymeal prices opened mixed this morning. The market still appears unable to shake the nervousness on Argentine production despite talk that current weather premiums are too high. It is a bit easier to understand considering that Argentina is also the largest global meal and oil exporter, responsible for almost half of all world exports, and that soy oil will likely be poised to replace any palm oil shortages that are developing. Nonetheless, uncertainty is likely to remain until more tangible production estimates materialize. Canadian meal buyers should expect delayed deliveries over the next couple weeks due to ramped up planting in the US and the subsequent competition for trucking resources delivering fertilizers.

US corn futures opened mixed this morning. US corn futures are facing some pressure amid a quicker than average planting progress pace, news of smaller than expected losses for the Brazilian Safrinha crop and data showing Chinese economic development is slowing. The Chinese purchasing managers' index (PMI), a measurement of the manufacturing sector, was below 50% for the second time in a row and lower than the previous report. Despite this, the day-to-day corn futures trade remains choppy and two sided amid a lot of uncertainty and some support is developing further out, largely on weather related speculation.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #3		182.45 188.32	182.84 189.89	170.64 184.72	156.60 163.05	155.85 157.02	133.52 149.35	135.28 141.14	135.42 143.58	143.58 147.08
Soymeal Wpg Delivered	490	496	495	491	491	486	486	486		
Corn	Local delivered price available on request									

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