



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 10, 2016

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

www.hamsmarketing.ca

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

US Slaughter	
443,000	Wednesday
392,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$41.36
National	\$52.64
Iowa/S. MN.	\$41.38
Signature 5	\$113.46
HyLife	\$123.56
TCP/Britco	\$101.47
4-Mo. Sig5 Fwd	\$120.69
BoC Rate (Noon) prev. day \$1.3408 CAD / \$0.7458 USD	
Cash Prices Week Ending November 5, 2016	
Signature 3	108.77/49.34
Signature 4	128.19/58.15
Signature 5	118.48/53.74
h@ms Cash	116.98/53.06
HyLife	126.96/57.59
TCP/Britco	110.90/50.30
ISO Weans	\$25.14 US Avg.
Feeder Pigs	\$28.96 US Avg.
#1 Export Sows (+500lbs.)	\$22.00/cwt. (Tagged)

Forward contract prices opened mixed this morning. US cash markets are trading lower this week as burdensome supplies continue to apply pressure to negotiated prices. This week's slaughter is on pace for another record and packers have already lined up 40,000 hogs for an additional shift on Sunday. Wholesale pork prices have done well to maintain their value amid the heavy supplies, but are likely to be pressured lower over the next month as it becomes increasingly difficult to clear the market of inventory without significant price concessions. The Mexican Peso dropped about 12% while the Japanese Yen lost 3% of its value after the unexpected Trump win, which is having a direct impact on those countries' purchasing power. Currently, lean hog futures are holding their value as most traders believe that wholesale pork prices are at a greater risk of falling than cash hog values, given the massive spread between the two prices, on which the packers have been capitalizing. However, any disruption to the normal operation of plants across the US could put cash prices at risk observing that the industry is currently operating at, or very near, its maximum capacity.

h@ms 2016 Remaining Fall Marketing Meeting		
Meeting	Date and Time	Location
TODAY - Starbuck, MB - TODAY	Thursday, Nov. 10 - 2:00	Starbuck Community Hall

Canadian delivered soymeal prices opened lower this morning. US soybean futures are in the midst of a recovery bounce after first falling more than 2% following the release of the November WASDE report. Initially, market reaction was bearish to the report that showed yield estimates raised to 52.5 bpa from 51.4 bpa last month. Somewhat of a surprise, however, was the extent to which export numbers did not increase as much as expectations and the result was a supply estimate that overshoot demand, pushing ending stocks estimates up by almost 100 million bu. over last month. Support this mooring comes from a variety of factors including a general surge in commodities, thoughts that Argentina's crop will harvest less than USDA estimates per Rosario Grains Exchange, strength in soy oil, and ongoing demand.

US corn futures opened higher this morning. Like beans, US corn futures have recovered from the previous pressure and are trading higher this morning following yesterday's WASDE report that was considered bearish for the trade; yields came in at upper end of expectations (175.3 bpa) pushing ending stocks over 2.4 billion bu. But also like beans, there are thoughts that a general revival in commodities markets will be supportive to the trade. The results of the past US election are creating ripples of uncertainty in the markets and it appears some participants are taking some action. That action will likely impact ags in the short to mid (and possibly longer) terms.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Maple Leaf Sig. #5		101.95 107.17	106.46 113.75	119.34 125.05	126.55 130.92	134.74 146.54	152.40 167.78	164.27 173.60	169.39 175.90	164.78 174.50	154.32 158.30
Soymeal Wpg Del.	457	457	478	480	480	489					

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.

h@ms Marketing Services will be closed Friday, November 11 for Remembrance Day.
The HMO and Opening Price reports will likewise not be published.
Normal business resumes on Monday, November 14.