



Hog Margin Outlook

Meeting Your Marketing Needs

Wednesday, November 22, 2017

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

www.hamsmarketing.ca

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

US Slaughter

465,000	Tuesday
442,000	Year Ago

Daily Prices

W. Corn Belt	\$56.86
National	\$65.93
Iowa/S. MN.	\$56.85
Signature 5	\$141.36
HyLife (prev. day)	\$148.45
Britco (prev. day)	\$132.86
TCP/BP2	\$141.36

BoC Rate (Noon) prev. day
\$1.2778 CAD / \$0.7826 USD

Cash Prices Week Ending November 18, 2017

Signature 3	136.78/62.04
Signature 4	153.04/69.42
Signature 5	144.91/65.73
h@ms Cash	143.41/65.05
HyLife	150.81/68.41
Britco	140.67/63.81
TCP/BP2	149.33/67.74

Year-to-Date Top-Up Estimate

\$3.90/ckg (call for details)

ISO Weans	\$47.06 US Avg.
Feeder Pigs	\$56.21 US Avg.

Forward contract prices opened lower this morning. After a few sessions of pulling-back, US cash markets have recovered somewhat, and all reporting regions came in moderately higher than previous day; the WCB and ISM regions were up approximately \$0.50 USD/cwt while the National region was up a more modest \$0.06 USD/cwt. There are thoughts that some stronger bids could be a function of a reduced slaughter week (US Thanksgiving is tomorrow) and, looking ahead, seasonal Christmas demand (especially for hams) could also support. Cut-out values will be watched closely for ideas on direction. Meanwhile, there are thoughts that export demand has softened, but that domestic demand remains strong. Today's cold storage report should shed some light on the demand situation; the amount of pork in cold storage has decreased each month since January 2016 and there are expectations for the trend to continue. Lean hog futures have moderated from the highs seen earlier in November and are trading in a mixed and choppy pattern which is likely a reflection of the uncertainty currently in the marketplace; a stronger Canadian dollar has pressured prices for Canadian producers today overall.

Canadian delivered soymeal prices opened higher this morning. There is a common myth that suggests traders buy the day before US Thanksgiving and sell the day after. The numbers paint a slightly different picture, for example, showing that beans have closed higher in five of the last ten years on the day before Thanksgiving (i.e. 50% of the time). Regardless, this year appears to be shaping up to support the anecdote. US soybean futures are trading higher ahead of tomorrow's holiday despite no real change in the fundamental picture. There is talk that the weather premium has subsided for now as Mato Grosso (Brazil) is receiving timely rain while Argentina sees some light showers and moderate temperatures.

US corn futures opened higher this morning. Like beans, there is a myth that corn trades higher before Thanksgiving, but unlike beans the numbers are more supportive. Eight times in the last ten years, US corn futures have traded higher ahead of the mid-week holiday and are trading higher as of this writing. The market will have to wait until Friday to see if the market reverses itself, following the convention, as, also like beans, nothing has fundamentally changed. In fact, US demand remains static and S. American weather is improving which are factors most often pressuring the market all else equal.

Fixed Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5			133.79 145.14	145.71 148.76	149.49 157.22	157.50 157.62	162.05 174.52	172.39 184.17	175.35 180.22	171.72 177.69	150.56 164.68	147.84 151.61
Soymeal Wpg Delivered.	443	443	448	452	452	455						

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Risk Management will be closed Thursday, November 23 for US Thanksgiving; US markets are closed. The HMO and Opening Price reports will subsequently not be published. Trading will close one hour early on Friday, November 24. The main office remains open all week.