



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 30, 2017

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

www.hamsmarketing.ca

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

US Slaughter

463,000 Wednesday
443,000 Year Ago

Daily Prices

| | |
|--------------------|----------|
| W. Corn Belt | \$58.99 |
| National | \$64.74 |
| Iowa/S. MN. | \$59.02 |
| Signature 5 | \$143.34 |
| HyLife (prev. day) | \$145.93 |
| Britco (prev. day) | \$138.74 |
| TCP/BP2 | \$143.34 |

BoC Rate (Noon) prev. day
\$1.2853 CAD / \$0.7780 USD

Cash Prices Week Ending November 25, 2017

| | |
|-------------|--------------|
| Signature 3 | 132.76/60.22 |
| Signature 4 | 149.25/67.70 |
| Signature 5 | 141.00/63.96 |
| h@ms Cash | 139.50/63.28 |
| HyLife | 147.55/66.93 |
| Britco | 135.66/61.53 |
| TCP/BP2 | 144.91/65.73 |

Year-to-Date Top-Up Estimate

\$3.99/ckg (call for details)

ISO Weans \$51.73 US Avg.

Feeder Pigs \$63.92 US Avg.

Forward contract prices opened mixed this morning. US cash markets traded mixed relative to the previous day; the ISM, WCB and National regions came in plus \$0.79, plus \$0.91 and negative \$0.21 USD/cwt respectively. The pork cut-out is supportive and was led by picnics, bellies, loins and hams for a net-positive \$1.22 USD/cwt. change on the day. There are thoughts Christmas demand from wholesalers over the next few weeks will further support as orders come in for the holiday season. Lean hog futures have backed off somewhat and are trading mixed as of this writing. While the recent upside has been good for forward contract prices, the three-week highs reached on Tuesday are thought to be a function of fund buying and calendar spreading. There is talk some speculative traders are hoping for seasonal support (stemming from Christmas demand) to drive gains at present although the February contract has been the most traded. Regardless, a current 43-week forward contract is priced near the seasonal tendency of the past two years although a higher Canadian dollar this morning has moderated the gains.

Canadian delivered soymeal prices opened lower this morning.

The Argentine forecast, while still generally positive has decreased by 5%, the coverage area to receive rain that was expected to encompass 40% of the growing region. The news, therefore, has been supportive for the market as less rain is now expected to fall on regions that need some timely moisture. As well, there was an announcement that 263,000 MT were sold to China. Offsetting these news events is the export sales report that has shown 942,900 MT were sold in the week ending November 23; the decline relative to previous week was expected due to the holiday-shortened week, but still represents a 25% decrease from the 4-week average.

US corn futures opened higher this morning. Support for US corn yesterday came from the ethanol report that has shown 24% of the USDA's projection for corn use in ethanol (current marketing year) has been processed, and while lower than last week, ethanol production was up 5.3% year over year. All else equal, it shows that 104.6 million bushels per week would be needed to meet the USDA's projection compared to the 109.6 million bu. that were used in this week's grind, suggesting the goal would be surpassed at current rates. At least two analytics firms have suggested corn use in ethanol will surpass last year's usage.

| Fixed Forward Range (at opening) | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
|----------------------------------|-----|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #5 | | | 145.53 157.00 | 157.58 160.66 | 159.89 167.70 | 167.57 167.69 | 170.42 183.00 | 180.84 192.72 | 183.08 187.98 | 179.27 185.28 | 156.28 170.49 | 153.75 157.55 |
| Soymeal Wpg Delivered. | 448 | 448 | 452 | 457 | 457 | 460 | | | | | | |

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Thursday, December 14
Keystone Centre - Brandon, MB
10:00 AM to 4:30 PM

Exhibitor Booths
Luncheon (\$12/meal)
Pork Quality Competition