



Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, December 07, 2017

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

www.hamsmarketing.ca

Hog Prices: ↓↑ Soymeal: ↓↓

Corn: ↓ CDN Dollar: ↓

US Slaughter

464,000 Wednesday
440,000 Year Ago

Daily Prices

W. Corn Belt	\$59.34
National	\$66.43
Iowa/S. MN.	\$59.28
Signature 5	\$144.59
HyLife (prev. day)	\$148.25
Britco (prev. day)	\$138.31
TCP/BP2	\$144.59

BoC Rate (Noon) prev. day
\$1.2757 CAD / \$0.7839 USD

Cash Prices Week Ending December 02, 2017

Signature 3	136.85/62.07
Signature 4	147.04/66.70
Signature 5	141.94/64.38
h@ms Cash	140.44/63.70
HyLife	145.99/66.22
Britco	132.75/60.22
TCP/BP2	141.00/63.96

Year-to-Date Top-Up Estimate

\$4.02/ckg (call for details)

ISO Weans \$55.51 US Avg.
Feeder Pigs \$66.83 US Avg.

Forward contract prices opened mixed this morning. US cash markets have moderated from the strength seen earlier in the week and are mixed with ISM and WCB down \$0.45 USD/cwt on average while the National reporting region came in higher by \$0.25 USD/cwt over the previous day. The pork cut-out was down net \$2.03 and only ribs and bellies showed (modest) support. There is talk that demand for live animals could be starting to wane and packers might not be as motivated to compete for live hogs prior to the two back-to-back holiday shortened weeks that are coming up. Lean hog futures are trading lower this morning following fund liquidations and cash market pressure yesterday. The market is contemplating the potential impact of higher hog weights and the residual impact of Thanksgiving-delayed market hogs exacerbated by a plant shut-down last week. The net result could mean an abundance of supply and a reluctance to aggressively bid among packers further out which is apparently being considered by the market that traded approximately 2% lower on the day. The more-than one cent drop in the Canadian dollar compared to yesterday has moderated the losses, but Canadian forward contract levels are still coming in mixed with the front half lower than yesterday's open and June to October coming in slightly higher by \$0.22 CAD/ckg on average.

Canadian delivered soymeal prices opened lower this morning.

A relatively strong export sales report for week ending December 30 has so far not been enough to support the market this morning. Export sales came in at 2.018 MMT, the sixth time in ten weeks that sales have been over 2 MMT. US soybean futures have nonetheless backed off their recent strength, reportedly on technical influences showing an overbought condition and thoughts of good supply to cover demand. Pre-WASDE report estimates are starting to trickle out and are currently suggesting higher production estimates for USA and Brazil, and slightly lower production from Argentina.

US corn futures opened lower this morning. The futures market for US corn has mostly been bearish this week and today is no different. This morning's export sales report has done little to support and it showed only 592,319 MT in net sales last week. To put this in context, 592,000 MT represents the fourth smallest volume since the beginning of the marketing year (and calendar year (!)). Pre-WASDE estimates are unlikely to reinvigorate the market as they are so far showing ending stocks could come in over 2.5 billion bu.(!).

Fixed Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		140.07 151.53	152.11 155.19	154.03 151.83	161.65 161.76	166.50 179.06	176.91 188.77	179.25 184.13	177.57 183.55	154.24 168.39	152.22 156.02
Soymeal Wpg Delivered.	469	471	476	476	479	479					

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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