

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

US Slaughter

465,000	Thursday
436,000	Year Ago

Daily Prices

W. Corn Belt	\$69.52
National	\$73.93
Iowa/S. MN.	\$69.84
Signature 5	\$159.37
HyLife (prev. day)	\$160.57
Britco (prev. day)	\$157.40
TCP/BP2	\$159.37

BoC Rate (Noon) prev. day
\$1.2323 CAD / \$0.8115 USD

Cash Prices Week Ending January 27, 2018

Signature 3	158.01/71.67
Signature 4	162.88/73.88
Signature 5	160.45/72.78
h@ms Cash	158.95/72.10
HyLife	n/a
Britco	158.66/71.97
TCP/BP2	159.33/72.27

2017 Top-Up

\$4.22/ckg (call for details)

ISO Weans \$73.03 US Avg.

Feeder Pigs \$84.99 US Avg.

Forward contract prices opened lower this morning. US cash markets are finishing the week off in a mixed pattern. The ISM reporting region posted \$0.34 USD/cwt gains over the previous session, the WCB is coming in modestly higher at \$0.02/cwt, while the National base is \$0.34 USD/cwt lower. The carcass cut-out came in 11 cents higher on the day, led by loins and bellies which are following a similar trend seen last year. Slaughter capacity appears to be back to the recent 'normal' daily level (approximately 460,000 head per day) which is noteworthy considering it was noticeably lower just this week, likely due to logistics issues in the US. Lean hog futures are trading lower to finish the week, but it is important to note that the hog futures values (in USD/cwt) are considered to still hold relative value. Recent softness in Canadian forward contract values has been exaggerated by the strength of the Canadian dollar and producers should bear this in mind when planning marketing strategies. There is a potential for volatility ahead, especially if the ongoing NAFTA renegotiations collapse and/or the US gives the required six-month notice to exit the current agreement. On the other hand, a successful negotiation would likely be received more favourably by the market, although the strong CAD would buffer the impact.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures backed off near the end of the Thursday session following recent strength that has been attributed to short covering activity and ongoing production concerns in Argentina brought on by less than ideal growing conditions. Recent softness in the USD has also provided earlier support to the market as US product became more competitive as a result of the drop. There is some indication the US dollar was recovering by late Thursday, but statements from the economic summit in Davos, Switzerland could move currency markets, especially if one of the leaders hints at a particular policy direction.

US corn futures opened higher this morning.

While far from a rally per se, US corn futures are trading higher to finish the week. Factors supporting the market include ideas that farmers may switch corn acres in both hemispheres, decent export numbers, and ideas that the funds have been actively short covering. Reduced acreage will take time to be seen. But exports (59% higher than the 4-week average for week ending Jan 18th) provide underlying support and while the funds are still 200,000 net short, they have exited approximately 20,000+ contracts over the past week.

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5			149.49 156.98	156.79 156.90	159.67 173.61	171.55 182.07	175.37 180.07	173.26 179.03	151.76 165.39	149.90 153.57	133.29 144.41	132.29 136.00
Soymeal Wpg/S. Man Delivered	445	445	445	450	450	453						

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