

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

**Forward contract prices opened higher this morning.** US cash markets were under pressure all week and all reporting regions were down relative to the previous session yesterday. ISM, WCB and National regions all came in lower by approximately \$1.30 USD/cwt. The abundance of supply likely means that packers do not have to aggressively bid to ensure full slaughter schedules. Slaughter is up relative to previous year (and the five-year average) which is unsurprising considering the information provided in the earlier USDA Quarterly Hogs and Pigs reports. Adding to the pressure are thoughts that pork export movements will start to wane and that more evidence supporting this idea will be revealed in the coming weeks and months. Lean hog futures bounced off contract lows yesterday in a move that was widely technical. There were some unsubstantiated rumors suggesting that headway was made on the NAFTA file, but commentary this morning pegs the limit-up move (for the October contract) on technical grounds after days of probing lower, an oversold condition, and subsequently reaching contract lows. While the move higher represents the largest single-day 'up' move for the October 2018 contract, it is still no where near the \$70 USD/cwt values seen in March.

**Canadian delivered soymeal prices opened lower this morning.** Markets are expected to be quiet this morning ahead of the August WASDE report that will be released mid-trade today. The focus will be on the USDA's yield estimates as this is the first WASDE report to use survey results even though it is relatively early in the season; there is still a lot of time and weather to get through before firmer yields are established. The market is expecting 4.407 billion bu. of production on a 49.6 bpa yield and an ending stocks number near 638 million bu. Yield and/or ending stocks numbers coming in above these estimates could be considered bearish for the trade.

**US corn futures opened lower this morning.** Like beans, all eyes will be on today's WASDE report released at 11:00 AM Central time. Trading will be light ahead of the report, but commentators are expecting a bit more volatility that usual after the release as there will be no pre-report media lock up (i.e. where the ag press gets advance issues of the report in order to write articles immediately ready at the release). All market participants (including media) will see the report at exactly the same time. Corn production is expected to come in at 14.411 billion bu on a 176.2 bpa yield with 1.636 billion bu. in ending stocks.

US Slaughter	
462,000	Thursday
445,000	Year Ago
Daily Prices	
W. Corn Belt	\$46.01
National	\$63.23
Iowa/S. MN.	\$46.04
ML Signature 5	\$128.16
HyLife (prev. day)	\$145.24
TCP/BP2	\$128.16
<b>BoC Rate (Noon) prev. day</b>	
\$1.3040 CAD / \$0.7669 USD	
Cash Prices Week Ending August 11, 2018	
Signature 3	119.73/54.31
Signature 4	151.74/68.83
Signature 5 Brandon	135.74/61.57
h@ms Cash	134.24/60.89
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	153.23/69.50
2018 Top-Up Estimate	
\$4.44 ckg (call for details)	
ISO Weans	\$16.65 US Avg.
Feeder Pigs	\$23.41 US Avg.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		124.42 131.34	121.67 124.38	107.97 120.92	106.91 110.84	113.87 125.99	126.46 128.69	134.17 136.53	137.56 145.52	148.21 161.20	159.63 172.63
Soymeal Wpg/S. Man Delivered	487	484	485	487	487						

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