

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

Forward contract prices opened lower this morning. US cash markets continue to slide lower and all reporting regions once again showed weakness relative to the previous session. ISM and WCB reporting regions were down just over \$1.50 USD/cwt. while the National region trailed at \$1.18 USD/cwt. lower. Large supplies and a weakening cut-out are factors; the belly primal is now at its lowest level since May and has trended lower by over 20% in the last week. Lean hog futures traded in a two-sided and choppy pattern that started the Monday session with some strength, but ultimately turned lower and finished modestly higher on the day. The trade is wrestling with more tariff threats from the US administration that will likely be applied to China on or by August 23. While the expected impacts of the tariffs are most likely priced in, the ongoing friction is potentially damaging to US pork longer-term as the overall trading relationship is now very much a concern for an industry that was aiming to make inroads into China and expand export markets generally. There is talk a 'bottom' could soon be reached if it hasn't done so already. However, there is not any seasonal rally developing currently and lower futures prices are likely here for the short-to-mid terms unless some excellent demand news or supply shock develops.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher on what some are suspecting to be repositioning and short covering while the fundamental news is bearish in tone. Some decent rainfall is expected to make its way into critical growing areas where the majority of the crop is expected to benefit. Export inspections were in line with expectations, but slightly lower (1%) than pre-report estimates. Crop tours are getting underway and numbers will be published soon. In the meantime, the market is still preoccupied with international trading concerns and volatility is expected until a clearer direction is staked out..

US corn futures opened higher this morning. US corn futures are trading higher this morning in a move that sees some strength return to the market after the neutral/bearish WASDE report released last week. The turnaround follows two sessions of pressure but does not really represent a recovery per se. Nearby contract values are still residing amid the lows. Expectations of good ethanol demand (numbers released tomorrow), a 1% drop in crop conditions rated good/excellent yesterday and the expectation for a global drawdown in stocks is supportive. Ongoing uncertainty over trade deals is pressuring.

US Slaughter	
467,000	Monday
449,000	Year Ago
Daily Prices	
W. Corn Belt	\$43.62
National	\$60.57
Iowa/S. MN.	\$43.63
ML Signature 5	\$123.13
HyLife (prev. day)	\$139.79
TCP/BP2	\$123.13
BoC Rate (Noon) prev. day \$1.3136 CAD / \$0.7613 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	\$13.64 US Avg.
Feeder Pigs	\$24.00 US Avg.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		122.23 125.17	119.61 122.32	108.78 121.73	107.72 111.65	113.69 125.80	126.27 128.51	133.80 136.15	138.36 146.39	149.65 162.75	161.17 174.27
Soymeal Wpg/S. Man Delivered	494	491	492	493	493						

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