

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

Forward contract prices opened higher this morning. US cash markets are mixed to finish the week as the WCB and ISM regions once again pushed slightly lower while the National region saw modest gains. Very modest. While the National region did come in higher than the previous session, the \$0.36 USD/cwt 'turnaround' does not represent a substantial change in market sentiment. Large supplies and a low cut-out values will likely keep all regions under pressure, and the packers will not have to aggressively bid to secure supplies. Lean hog futures plunged lower at the close yesterday despite some positivity. Trade representatives in the US and Canada expressed optimism on the as-yet unreported progress on the NAFTA renegotiations and both sides have commented that the arbitrary date set by President Trump for an agreement on language in a preliminary deal could be met. The market will be watching very closely for any announcements to be made today. Export numbers showed increases in pork to Mexico in July followed by a lower average August estimate. Analysts are quick to point out, however, that increases in exports do not translate directly into stronger demand and instead may merely reveal that buyers are taking advantage of low prices and/or stockpiling supply. Rallies, to the extent they exist, could be considered selling opportunities for those without current protection.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher to finish the week after residing amid contract lows over the past week. The move, however, is likely a function of end of month managed money positioning. Next week could be challenging. There is news surfacing today that the next round of tariffs on Chinese goods could go into effect as early as next week despite last week's meeting between the US and China. A drawn-out trade spat will keep pressure on the complex which will likely be exacerbated if the 53.8 bpa estimate for the new crop materializes as expected.

US corn futures opened higher this morning. Like beans, US corn futures are showing some strength to finish the week. While no announcements have been made on the NAFTA file as of this writing, the fact that representatives are still engaged at the bargaining table following expressed optimism on both sides is encouraging. There are also ideas that some repositioning and fresh money for the new month next (holiday-shortened) week will provide additional support. However, the trade has a long way to crawl out of current lows amid a lot of uncertainty.

US Slaughter	
468,000	Thursday
452,000	Year Ago
Daily Prices	
W. Corn Belt	\$36.68
National	\$50.70
Iowa/S. MN.	\$36.71
ML Signature 5	\$102.04
HyLife (prev. day)	\$115.38
TCP/BP2	\$102.04
BoC Rate (Noon) prev. day	
\$1.2980 CAD / \$0.7704 USD	
Cash Prices Week Ending September 01, 2018	
Signature 3	87.58/39.73
Signature 4	117.32/53.22
Signature 5 Brandon	102.45/46.47
h@ms Cash	100.95/45.79
HyLife	115.70/52.48
TCP/BP2 Moose Jaw/Langley	108.89/49.39
2018 Top-Up Estimate	
\$5.43 ckg (call for details)	
ISO Weans	\$18.23 US Avg.
Feeder Pigs	\$18.80 US Avg.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		116.38 117.72	116.38 117.08	118.49 122.18	122.03 138.79	142.07 145.35	144.53 150.04	151.16 158.40	157.54 170.03	168.58 181.20	174.05 176.55	170.97 176.74
Soymeal Wpg/S.Man	439	436	440	440	443	443						

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for Labour Day (Canada and USA). The HMO and Opening Prices will not be available and forward contacting will be closed. Normal business resumes Tuesday, September 4.

STRENGTH IN NUMBERS

