

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

US Slaughter	
463,000	Tuesday
448,000	Year Ago
Daily Prices	
W. Corn Belt	\$37.51
National	\$50.13
Iowa/S. MN.	\$37.52
ML Signature 5	\$103.97
HyLife (prev. day)	\$115.19
TCP/BP2	\$103.97
BoC Rate (Noon) prev. day \$1.3182 CAD / \$0.7586 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	\$22.75 US Avg.
Feeder Pigs	\$22.21 US Avg.

Forward contract prices opened higher this morning. US cash markets started this holiday-reduced production week with higher bids and added between \$0.50 - \$0.70 USD/cwt over previous day. The gains were likely initiated by the firming trend that has developed in the pork cut-out value which saw the net value rise about \$1.50 USD/cwt. higher in yesterday's report. In particular, pork bellies have gained about 25% of their value over the last week, representing a reversal in trend from the previous two months of trade. Lean hog futures experienced a volatile day of trade yesterday, but ended near their two-month highs. Traders remain cautious about adding value to the October and December contracts, but have been more optimistic about the spring and summer of 2019 recently. Traders have factored in the bullish news of a preliminary deal between Mexico and the US in the context of NAFTA negotiations and the possibility of increased exports due to the ongoing outbreak of African Swine Fever in the Chinese herd. Forward contract prices in March – June 2019 time period reached their highest level experienced since being offered with positive influence from stronger lean hog futures values and a weaker Canadian Dollar.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower this morning after seeing some strength in yesterday's trade. The technical traders are calling for further lows even though the funds are currently net short. There is talk that there is currently not enough fundamentally to influence the market higher and that any strength in the short term will likely be a function of interim short covering. Trade barriers are keeping any upside potential in check. Crop conditions remained unchanged from the previous week at 66% in good/excellent condition and compared to 61% last year.

US corn futures opened lower this morning. The news wires this morning are suggesting that pressure will remain on US corn futures until more certainty or progress is revealed regarding NAFTA negotiations. Last Friday's 'deadline' that was arbitrarily imposed by the US president came and went without much fanfare and a new administrative deadline has been set for the end of September. Crop conditions came in 1% lower than expectations at 67% of the crop in good/excellent condition (compared to 61% last year). Analysts are calling for a choppy trade amid the lows until the trade uncertainty is removed.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		114.28 116.42	118.34 119.06	120.48 124.21	122.22 139.17	142.49 145.81	145.81 151.38	152.77 160.10	159.68 172.33	170.87 183.64	176.62 179.15	172.72 178.56
Soymeal Wpg/S.Man	449	446	449	449	451	452						

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