

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

**Forward contract prices opened higher this morning.** US cash markets are finishing the week in a steady trend with packers easily finding hog supplies to meet their planned production schedule. This week's US slaughter is expected to be just short of 2.6 million hogs; the weekend numbers are anticipated to be nearly 250,000 hogs which would result in an increase of 4% over last year. The USDA released its Quarterly Hogs and Pigs report yesterday and reported market hog numbers to be 3% larger than year ago levels. The inventory of hogs in the heavier weight categories were 3.5% larger while the lighter weight categories, reflecting winter supplies, were under 3%. With this latest data, the US is expected to have several weeks with total slaughter well over 2.6 million hogs. The report results were close to expectations, so the market responded moderately positive to the news after yesterday's losses of more than \$1.50 USD/cwt across the winter and spring timeframe. Market focus will likely shift back to demand related issues such as NAFTA developments and monitoring the spread of African Swine Fever which could have a major impact on North American hog prices over the next year.

**Canadian delivered soymeal prices opened even this morning.**

Trading is relatively quiet ahead of the Quarterly Grain Stocks report that will be released mid-trade at 11:00AM, Central time. The market is expecting stocks on hand as at September 1 to be 33% higher than last year, largely due to the decrease in Chinese buying activity in the wake of intensified hostilities between China and the USA. Pre-report positioning is pressuring the trade as of this writing and while there is talk some beans are being exported to Argentina and Brazil to replace beans sold to China, export sales for the 2018/19 marketing year came in the middle of expectations for a neutral reaction yesterday and is having very little influence on direction this morning.

**US corn futures opened mixed this morning.** US corn futures once again are generally higher, continuing the trend that started on the 17<sup>th</sup> after the market hit contract lows. Pre-grain stocks estimates ahead of the release of the report later today show the market is expecting a 12% reduction in stocks compared to the same time last year. While this sounds supportive, it is important to remember that the market is expecting this number so market reaction will depend on how near to (or far from) the estimates actually are when released later this morning. While pre-report positioning is factoring into the early action, there is some follow-through buying after export sales came in 412,000 MT higher than the highest market guess yesterday.

US Slaughter	
469,000	Thursday
461,000	Year Ago
Daily Prices	
W. Corn Belt	\$63.24
National	\$67.31
Iowa/S. MN.	\$63.32
ML Signature 5	\$153.53
HyLife (prev. day)	\$153.71
TCP/BP2	\$153.53
<b>BoC Rate (Noon) prev. day</b>	
\$1.3045 CAD / \$0.7666 USD	
Cash Prices Week Ending September 29, 2018	
Signature 3	147.92/67.10
Signature 4	149.19/67.67
Signature 5 Brandon	148.55/67.38
h@ms Cash	147.05/66.70
HyLife	N/A
TCP/BP2 Moose Jaw/Langley	131.93/59.84
2018 Top-Up Estimate	
\$5.46 ckg (call for details)	
ISO Weans	\$33.37 US Avg.
Feeder Pigs	\$35.25 US Avg.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		141.68	124.87 136.38	124.47 128.14	124.47 141.17	144.44 147.71	145.37 150.86	152.92 160.18	159.82 171.88	170.31 183.07	176.17 178.66	172.45 178.19
Soymeal Wpg/S.Man	444	434	439	439	444	443	443					

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