

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

US Slaughter	
470,000	Thursday
463,000	Year Ago
Daily Prices	
W. Corn Belt	\$63.36
National	\$70.00
Iowa/S. MN.	\$63.39
ML Signature 5	\$155.05
HyLife (prev. day)	\$158.09
TCP/BP2	\$155.05
BoC Rate (Noon) prev. day	
\$1.2900 CAD / \$0.7752 USD	
Cash Prices Week Ending October 6, 2018	
Signature 3	149.08/67.62
Signature 4	157.62/71.50
Signature 5 Brandon	153.35/69.56
h@ms Cash	151.85/68.88
HyLife	156.74/71.10
TCP/BP2 Moose Jaw/Langley	148.55/67.38
2018 Top-Up Estimate	
\$5.43 ckg (call for details)	
ISO Weans	\$35.92 US Avg.
Feeder Pigs	\$37.01 US Avg.

Forward contract prices opened higher this morning. US cash markets held their value this week, reflecting good demand from packers due to profitable operating margins. The pork carcass cut-out was also steady over the last week with gains in the pork belly primal being offset by losses in most of the other primal cuts. The market-ready hog supply has been on the low end of expectations with this week's pace of slaughter similar to last week, but lower than levels seen last year. Lean hog futures have lost significant value this week as the December contract is down approximately \$5.00 USD/cwt while the spring/summer contracts have dropped less than half of that value. The result has been a weakening of forward contract prices, in particular, for the November and December timeframe, due in part to expectations of the cash market changing to a weaker trend. There have been no new updates to the African Swine Fever situation in China this week due to a national holiday in the country that spans the entire week. Producers without price protection should consider taking some action for the November – January timeframe, but there appears to be limited potential for imminent downside risk in the spring/summer timeframe.

Canadian delivered soymeal prices opened lower this morning. Profit taking ahead of the weekend in a market that some analysts are describing as 'toppy' this morning appears to be the rationale for the move lower this morning. A quick check on the relative strength index (RSI) shows the daily value at 54.09 which would not be considered oversold per se despite moving into that direction since the end of last month (70 is considered oversold). In any event, the fundamental news has been more supportive considering beans are still moving in the export markets and market watchers are a bit nervous about the inclement weather moving into active harvest areas over the next week and a half.

US corn futures opened lower this morning. Like beans, profit taking appears to be the only real motive behind the move lower this morning. The new USMCA is considered a good news story for US commodities as trade negotiators can now focus on other markets. Similar concerns on poor weather in harvest areas could influence the market higher if harvest is delayed for extended periods of time and/or crop quality begins to be impacted. The Global Forecast System (GFS) and EU weather models, are calling for increasing amounts of moisture. As well, export sales show that US corn is still being sold. The October WASDE report will be released next week.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		122.21 133.71	121.82 125.48	124.61 141.22	144.47 147.72	145.35 150.81	152.39 159.58	160.97 172.93	171.37 184.02	179.38 181.86	175.14 180.87
Soymeal Wpg/S.Man	429	436	436	441	440	440					

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