

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

Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, November 8 2018

For details call: (204)235-2237 or visit
www.hamsmarketing.ca

US Slaughter	
479,000	Wednesday
465,000	Year Ago
Daily Prices	
W. Corn Belt	\$54.44
National	\$65.08
Iowa/S. MN.	\$54.49
ML Signature 5	\$140.98
HyLife (prev. day)	\$150.39
TCP/BP2	\$140.98
BoC Rate (Noon) prev. day \$1.3096 CAD / \$0.7636 USD	
Cash Prices Week Ending November 3, 2018	
Signature 3	140.24/63.61
Signature 4	153.03/69.41
Signature 5 Brandon	146.63/66.51
h@ms Cash	145.13/65.83
HyLife	151.52/68.73
TCP/BP2 Moose Jaw/Langley	147.16/66.75
2018 Top-Up Estimate	
\$5.62 ckg (call for details)	
ISO Weans \$40.58 US Avg.	
Feeder Pigs \$40.48 US Avg.	

Forward contract prices opened lower this morning. US negotiated cash prices moved lower in yesterday's trade, dropping \$1.00 USD/cwt in the Midwestern reporting regions. Adding to the bearish cash market sentiment was further weakness in the pork carcass cut-out which fell by more than \$1.00/cwt yesterday and to its lowest level in approximately two months. Pork bellies have established a lower trend over the last two weeks, losing nearly \$25 USD/cwt over this timeframe. A further decline of \$25/cwt in this important primal cut would result in an additional \$4.00 USD/cwt drop in the carcass cut-out which would push this value to match its lowest level for the year last seen in late August. Lean hog futures are seeing the influence of the weaker cash market with all offered contracts trading lower this morning. Even after the results of the US Midterm elections, there is no obvious path or timeline that could see Mexico's retaliatory tariffs on pork lifted; a move that would have a positive impact on the market, and one that is needed.

Canadian delivered soymeal prices opened even this morning. The US soybean futures complex is mixed (meal mixed - beans mostly lower) as traders take last minute positions ahead of the November WASDE report that will be released at 11:00 AM, Central time today. A lower yield is expected due to challenges with inclement weather earlier in the harvest while ending stocks are expected to be raised as there is increasing evidence that China is avoiding US origin beans altogether amid the trade dispute; there has even been some talk suggesting China may not need to buy any beans from the US in the near term and will instead wait for Brazil to start harvesting. Average yield is pegged at 52.9 bpa (a slight reduction from last month) while ending stocks creep upward to 898 million bushels in the pre-report estimates.

US corn futures opened higher this morning. Trading is expected to be light ahead of today's WASDE report although US corn futures are slightly higher on pre-report positioning as of this writing. US corn has not faced the same challenges as beans in terms of harvest progress or tariff retaliations and all eyes will be on today's report for ideas on direction. Corn yield is expected to come in slightly lower than the October numbers but among record highs of 180 bpa on average. Ending stocks, as many have suggested months earlier, are expected to be drawn down over the near to mid-terms and the pre-report estimates appear to agree with this assertion coming in with an average of 1.733 billion bu. compared to the 1.813 billion bu. estimate in October.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		120.69 123.05	114.20 131.04	134.34 137.64	140.26 145.79	147.39 154.69	158.69 174.66	173.76 186.59	182.68 185.20	178.64 184.45
Soymeal Wpg/S.Man	436	436	443	446	446	451				

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h@ms Marketing Services will be closed

Monday, November 12 for the Remembrance Day holiday in Canada.

The office will be closed and the HMO and Opening Price reports will not be published.

Normal business resumes on Tuesday, November 13.