

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

**Forward contract prices opened higher this morning.** US cash markets, while settling into a more seasonal trend (i.e. lower), were mixed in the last session as WCB and ISM regions came in \$0.60 USD/cwt higher while the National region was lower by \$0.68 USD/cwt. Weights are creeping seasonally upward at the same time slaughter levels are at the upper end of current processing capacity amounting to approximately 100,000 more hogs being slaughtered week over week since the middle of October compared to last year. Except for the US Thanksgiving break next Thursday, there are ideas weekly kills will come in near (or over) 2.6 million hogs heading into the Christmas break adding pressure to the cash markets. Lean hog futures, on the other hand, are seeing a general trend higher since November 12<sup>th</sup> following a choppy and two-sided trade that was witnessed earlier. Underpinning the strength is speculation on what could develop from the ASF outbreak in China that some media outlets have claimed is now being found in the domestic feed chain. Social media followers saw a story where one feed company tested positive, then negative, adding another level of uncertainty into the scope of the disease. In the meantime, the ongoing issue is seen as supportive to the trade and there is some talk better hedging opportunities are on the horizon especially if pork starts moving into export markets and North America can keep the disease out of its region.

**Canadian delivered soymeal prices opened even this morning.** Normally, US export sales numbers are reported early, every Thursday, but there is a one-day delay in this week's report due to the Veteran's Day holiday in the US. This year, the market could not be more interested in the report as sales levels (albeit, which can be cancelled later) are currently being used as a proxy for health of the trade. To date, Chinese numbers have been significantly lower than previous years, but there are thoughts that other markets are picking up some of the slack. The market won't know this for certain, however; October data doesn't come out until the beginning of December and sales and export inspections in the meantime are only educated guesses on actual volumes.

**US corn futures opened higher this morning.** Strength in the corn trade is keeping the nearby contract in the middle of the recently established range as the market waits for exports sales data that will be released on Friday. In the meantime, there is some chatter South American farmers are going to plant more bean for the new crop in order to take advantage of the current situation that sees China shunning US beans. The net result, likely, will be less corn acres planted at precisely the same time a global drawdown in stocks is expected and could result in some support for US corn further out.

US Slaughter	
478,000	Wednesday
465,000	Year Ago
Daily Prices	
W. Corn Belt	\$50.70
National	\$62.18
Iowa/S. MN.	\$50.78
ML Signature 5	\$134.53
HyLife (prev. day)	\$144.90
TCP/BP2	\$134.53
<b>BoC Rate (Noon) prev. day</b> \$1.3235 CAD / \$0.7556 USD	
Cash Prices Week Ending November 10, 2018	
Signature 3	133.42/60.52
Signature 4	151.70/68.81
Signature 5 Brandon	142.56/64.66
h@ms Cash	141.06/63.98
HyLife	150.23/68.14
TCP/BP2 Moose Jaw/Langley	146.63/66.51
<b>2018 Top-Up Estimate</b> \$5.72 ckg (call for details)	
ISO Weans \$43.45 US Avg.	
Feeder Pigs \$43.41 US Avg.	

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		127.33 130.95	128.72 138.47	141.80 145.13	145.63 151.22	152.91 160.28	163.73 179.86	178.95 191.91	188.04 190.57	185.24 191.10
Soymeal Wpg/S.Man	439	439	446	450	450	458				

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