

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

US Slaughter	
478,000	Wednesday
465,000	Year Ago
Daily Prices	
W. Corn Belt	\$46.59
National	\$59.12
Iowa/S. MN.	\$46.60
ML Signature 5	\$127.08
HyLife (prev. day)	\$137.55
TCP/BP2	\$127.08
<b>BoC Rate (Noon) prev. day</b>	
\$1.3353 CAD / \$0.7489 USD	
Cash Prices Week Ending December 1st, 2018	
Signature 3	119.88/54.38
Signature 4	140.39/63.68
Signature 5	130.14/59.03
Brandon	
h@ms Cash	128.64/58.35
HyLife	138.85/62.98
TCP/BP2	133.16/60.40
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$5.99 ckg (call for details)	
ISO Weans \$54.07 US Avg.	
Feeder Pigs \$65.18 US Avg.	

**Forward contract prices opened mixed this morning.** US negotiated cash markets took a turn lower in yesterday's trade with the 'extra', uncommitted hogs experiencing a steep discount from the formula-based price on which most hogs are purchased. Formula-based hog sales have benefitted from a recent recovery in wholesale pork prices, with the pork carcass cut-out appreciating \$3.50 USD/cwt over the last week. The gains come mostly from hams and bellies which, together, represent about 40% of the carcass by weight. The recent upswing in pork prices likely contributed to yesterday's gains in the lean hog futures markets, where all of the 2019 contracts added more than \$1.25 USD/cwt in yesterday's trade. With the positive influence of the weak Canadian Dollar (currently trading near USD \$0.7450), forward contract prices recovered to their previous highs yesterday and the average forward contract prices for the first six months of 2019 were near \$165 CAD/kg. This morning, however, producers will note a discount relative to the highs put in yesterday as the market corrected lower this morning, although it is maintaining levels near yesterday's opening values.

**Canadian delivered soymeal prices opened higher this morning.** Trade issues continue to dominate the US soybean market which is trading lower this morning although the nearby contract is still trading amid the upper end of the range that was established in August following three sessions of support (on thoughts of warming China/US relations). Word comes out this morning, however, that China has agreed to buy three to four times the amount of soy oil from Argentina compared to last year. This doesn't impact the US bottom line for beans all that much, but it does signal a potential shift in China toward a more diversified supply base in ag commodities generally. Support comes from thoughts that Chinese officials are actually corroborating the tweets and statement coming from US officials on the meeting in Argentina over the weekend, but the more cautious analysts point out that nothing concrete has been agreed to and there is no formal written agreement.

**US corn futures opened lower this morning.** US corn futures are following beans lower this morning as is the trend seen in the commodities closely watched in this office (hogs, beans, and corn). Fundamentally, nothing has really changed all that much since yesterday and at least one well-respected agricultural news service has suggested that some of this morning's activity could be related to yesterday's close of equity markets (for a day of mourning President George H. W. Bush who recently passed). The idea is that more money may flow from commodities back to equities and interest rate markets today following a suspension of trade in those markets yesterday. There is very little 'evidence' to support this idea, but with very little else to move markets until more news develops, many market watchers this morning are speculating on the notion.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		137.29 147.79	151.17 154.55	152.33 158.12	159.46 166.93	167.53 181.82	182.79 195.92	190.11 192.80	177.54 193.72	159.77 166.94	182.74 156.42
Soymeal Wpg/S.Man	465	465	470	470	476	476					

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