

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

**Forward contract prices opened mixed this morning.** US cash markets came in lower with all reporting regions lower than the prior session. ISM, WCB and National regions were lower by \$0.38, \$0.25, and \$0.18 USD/cwt, respectively, compared to the previous day. Packers are having no difficulty sourcing supplies and subsequently do not have to aggressively bid which is customary for this time of year. Only one more full week of packing plant activity running Monday to Friday (and Saturday) shifts next week before the following two weeks are interrupted by Christmas and New Year holiday breaks. In the meantime, lean hog futures are trading under pressure as the speculative optimism on China is appearing to fade. Adding to the bearish tone seen this morning was data from the weekly sales report showing that China backed off on purchases of US pork volumes seen the previous week (for the 2018 marketing year) and even canceled a modest amount for the 2019 marketing year. Potential African Swine Fever repercussions represent a unique and possibly very significant opportunity for US pork exporters if (IF!) US pork finds its way into China directly, or as backfill to another export partner. To date, there is little-to-no evidence of this taking place.

**Canadian delivered soymeal prices opened lower this morning.** Now that Tuesday's neutral WASDE report is in the rear-view mirror, the markets once again turn to geopolitical trade news for direction. Unfortunately for bean sellers, the news is less than stellar. Net sales in this morning's weekly export sales report came in at 792,300 MT against a pre-report range of 700,000 MT to 1 million MT. But that wasn't the trigger for the move lower; the market is apparently underwhelmed by an announcement by Chinese officials that 500,000 MT will soon be sold which will likely show up in next week's report as commitments. It remains to be seen if the activity remains sustained which will likely keep the market on edge for a while.

**US corn futures opened mixed this morning.** Unlike beans, action in the US corn futures market has been less dramatic this morning. Net sales of 903,200 MT were reported in this morning's export sales report against a 1 MMT to 1.5 MMT pre-report expectation. The result is therefore bearish relative to expectations, but the market is holding its value as of this writing. Sales patterns observed so far this year for US corn are seasonal and could be described as normal even though this week's reduction is down 23% compared to last week.

US Slaughter	
477,000	Wednesday
468,000	Year Ago
Daily Prices	
W. Corn Belt	\$46.01
National	\$58.53
Iowa/S. MN.	\$46.05
ML Signature 5	\$125.60
HyLife (prev. day)	\$138.05
TCP/BP2	\$125.60
<b>BoC Rate (Noon) prev. day</b> \$1.3346 CAD / \$0.7493 USD	
Cash Prices Week Ending December 8th, 2018	
Signature 3	117.08/53.11
Signature 4	139.43/63.25
Signature 5 Brandon	128.26/58.18
h@ms Cash	136.68/62.00
HyLife	138.18/62.68
TCP/BP2 Moose Jaw/Langley	130.14/59.03
2018 Top-Up Estimate	
\$6.10 ckg (call for details)	
ISO Weans \$56.76 US Avg.	
Feeder Pigs \$60.89 US Avg.	

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		137.68 143.82	147.19 150.56	152.39 158.17	159.49 166.94	165.91 180.16	181.12 194.22	189.86 192.55	179.54 194.42	161.82 168.98	154.59 158.25
Soymeal Wpg/S.Man	458	458	462	464	471	471					

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