

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

**Forward contract prices opened lower this morning.** US cash markets all turned lower with ISM, WCB and National regions coming in \$1.44, \$0.91, and \$0.15 lower relative to the previous session, respectively. At over 2.61 million hogs slaughtered last week, packers are in no panic to push bids higher to secure weekly production levels. But they also likely less motivated to do so anyway according to a recent report showing packer margins were down 25% year over year in November. The move lower is despite the fact packers actually paid less for hogs in November and explained as a function of lower cut-out values over the same period. Lean hog futures continue to trade amid a bearish tone which is actually quite seasonal. Christmas production is likely shored up by now and the market typically sees some softness heading into the New Year. While there is much uncertainty in the market right now, there are two major events to look out for and neither have had much impact at all... yet. China's ASF woes have yet to develop into any meaningful export activity and there has been no word on the Mexican pork tariff removal (that will likely not be removed until the US removes steel and aluminum tariffs on Mexico). If either of these issues develop positively, the market could likely see notable support.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher on ideas that more Chinese bean purchases will be announced soon. While the market was waiting for upwards of 5MMT in announced purchases last week, the official numbers were quite a bit lower, sending the market lower. However, there are thoughts that while perhaps the announcements will not be made in big blocs, Chinese buyers could still purchase significant amounts of beans while the 90-day cooling off period is in effect. Nevertheless, the situation is still delicate and there is much uncertainty on the horizon.

**US corn futures opened higher this morning.** Like beans, US soybean futures are seeing support this morning. The nearby contract is now trading at the upper end of the range that was established in late September/early October but has yet to break through significant resistance levels, technically. That level could be defined as \$3.90 USD/bu. (compared to the current \$3.85 level) but more disappearance or bad news from South America will likely be needed to provide that spark to move higher.

US Slaughter	
477,000	Monday
469,000	Year Ago
Daily Prices	
W. Corn Belt	\$45.65
National	\$57.77
Iowa/S. MN.	\$45.71
ML Signature 5	\$124.76
HyLife (prev. day)	\$136.03
TCP/BP2	\$124.76
<b>BoC Rate (Noon) prev. day</b> \$1.3399 CAD / \$0.7463 USD	
Cash Prices Week Ending December 15th, 2018	
Signature 3	113.58/51.52
Signature 4	139.16/63.12
Signature 5 Brandon	126.37/57.32
h@ms Cash	136.10/61.73
HyLife	137.60/62.41
TCP/BP2 Moose Jaw/Langley	128.26/58.18
2018 Top-Up Estimate	
\$6.24 ckg (call for details)	
ISO Weans \$62.12 US Avg.	
Feeder Pigs \$67.62 US Avg.	

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		138.07 139.79	143.15 146.48	146.54 152.35	153.54 161.01	163.54 177.81	178.81 191.95	187.33 190.03	184.57 191.60	159.33 177.10	152.22 155.90
Soymeal Wpg/S.Man	465	465	468	468	475	475					

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