

Hog Prices: ↑↓ Soymeal: ↑↓

Corn: ↓ CDN Dollar: ↓

US Slaughter	
477,000	Monday
473,000	Year Ago
Daily Prices	
W. Corn Belt	\$45.50
National	\$58.06
Iowa/S. MN.	\$45.33
ML Signature 5	\$125.18
HyLife (prev. day)	\$136.92
TCP/BP2	\$125.18
BoC Rate (Noon) prev. day	
\$1.3454 CAD / \$.7433 USD	
Cash Prices Week Ending December 15th, 2018	
Signature 3	113.58/51.52
Signature 4	139.16/63.12
Signature 5	126.37/57.32
Brandon	
h@ms Cash	136.10/61.73
HyLife	137.60/62.41
TCP/BP2	128.26/58.18
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$6.24 ckg (call for details)	
ISO Weans \$62.12 US Avg.	
Feeder Pigs \$67.62 US Avg.	

Forward contract prices opened mixed this morning. US cash markets are once again mirroring a pattern that has been witnessed over the past couple days that sees ISM and WCB lower, while National is higher (or vice versa), with only minor exceptions. Today we see prices in the ISM and WCB regions coming in lower by about \$0.30 USD/cwt while the National region is higher by just under that amount. Seasonality is adding pressure as packers likely shored up holiday production requirements weeks ago; if specials on Christmas hams are going to be featured ahead of this last weekend before the holiday week, they should be on trucks right now, if they're not already in grocery store warehouses. Recall cash markets have softened over the past three years in the last two weeks of the calendar year and this year appears to be no exception. Lean hog futures have turned around and are trading higher for the first time this week. However, the move has so far been offset by trading action in foreign exchange. The Canadian dollar is up meaning a move in forward contracts is muted. As well, the US Federal Reserve will make an announcement on interest rates today and the consensus is that interest rates will be raised another 25 basis points. There are some contrarians, however, and if the Fed does something unexpected, foreign exchange markets could be volatile. The announcement is expected later today.

Canadian delivered soymeal prices opened mixed this morning. The market expected China to buy 5 MMT of beans last week, but the result came in much lower. However, there is still 'hope' that China does buy 5 MMT 'soon'. For argument's sake, assume China buys those 5 MMT. Then what? Current old crop ending stocks are at 955 bu. and 5 MMT of beans is approximately 185 million bushels. Thus, 955 million minus 185 million is 770 million bu in old crop carryout. Please note that 770 million bu in carryout is the highest carryout going back past 2010 (and 500+ is considered 'large'). Sources cite strong domestic demand as rationale for the ongoing support.

US corn futures opened lower this morning. The pressure seen in US corn futures is likely coming from multiple sources. There is talk that ethanol margins are weak and that plant shutdowns may be occurring in the coming days and weeks. Trade related? It is difficult to tell with any certainty, but it likely isn't helping matters. As well, beneficial rain in South America is providing needed moisture to growing crops and is viewed as positive for crop development.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		138.99 140.68	144.06 147.44	146.74 152.54	154.00 161.48	164.18 178.50	179.46 192.62	187.96 190.66	177.01 191.91	159.24 166.42	152.75 156.44
Soymeal Wpg/S.Man	470	470	469	467	472	472					

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