

Hog Prices: ↓ Soymeal: ↔

Corn: ↓ CDN Dollar: ↓

US Slaughter	
479,000	Wednesday
469,000	Year Ago
Daily Prices	
W. Corn Belt	\$44.09
National	\$58.20
Iowa/S. MN.	\$44.20
ML Signature 5	\$123.82
HyLife (prev. day)	\$137.80
TCP/BP2	\$123.82
BoC Rate (Noon) prev. day \$1.3450 CAD / \$0.7435 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 lower this morning. Once again, US cash markets were inconsistent with ISM and WCB reporting regions lower by \$1.13 and \$1.21 USD/cwt respectively while the National region was up by a modest \$0.14 USD/cwt. Large slaughter levels are pressuring and could once again top the 2.6 million level this week in what will likely be the last full slaughter schedule as holiday breaks interrupt processing over the next two weeks. The pork cut-out was no help and all primal cuts were lower for a net \$2.23 USD/cwt change down on the day. Quarterly Hogs and Pigs pre-report estimates are starting to trickle out and the market is expecting a 2.7% increase in the herd, a 2.8% increase in the breeding category, and a 2.6% increase in marketing animals. Lean hog futures are lower as the absence of an African Swine Fever impact on export numbers was again revealed in the weekly export report. Initially, there were thoughts that China was turning to the US for supplies when pork sales were registered two weeks ago. However, there has been no consistent buying pattern from Chinese buyers since then and while very modest pork numbers were recorded for Hong Kong (2019) today, mainland China decreased 2019 intentions (i.e. cancelled orders) for the second week in a row despite the fact ASF numbers are increasing. ASF may turn out to be bullish for US pork prices, just not yet.

Canadian delivered soymeal prices opened even this morning. US soybean futures have backed off this morning despite the 'return' of China to the USA for bean supplies. At first glance, this morning's weekly export report appears bullish as net sales were up over 2.835 MMT (a marketing-year high) and also up from the weekly and four-week averages. However, sales to China have been below expectations in a 'net' context and while 1.561 MMT were registered on this week's report to China, the 'total' is still a far cry from the 5+ MMT the market was expecting.

US corn futures opened lower this morning. Like beans, net US corn sales registered a marketing-year high coming in at 1.974 MMT in this morning's weekly export sales report. Despite modest cancellations in Mexico, the country came in as the unquestionably large player, picking up some 1.3 MMT for week ending December 13 and demonstrating once again the importance of Mexico to the USA's corn export trade. However, some bearish news has been developing on the domestic front as reports of ethanol plant closures are starting to make the news wires. Recall that ethanol utilizes about a third of the US corn crop year over year.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		137.21 138.90	142.30 145.69	145.36 151.05	152.53 160.04	163.12 175.54	178.44 191.44	186.53 189.23	175.38 190.51	157.57 164.77	150.68 154.37
Soymeal Wpg/S.Man	470	470	469	467	472	472					

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Headingley Main Office	h@ms Holiday Schedule 2018/2019	Risk Management (all times Central)
OPEN	Monday, December 24	Closed one hour early (11:30)
Closed	Tuesday, December 25	Closed
Closed	Wednesday, December 26	Closed
OPEN	Monday December 31	Open Regular hours (9:30-12:30)
Closed	Tuesday, January 1	Closed