

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

**Forward contract prices opened mixed to lower this morning.**

US cash markets continue to move in the same direction upward in the second marketing week of 2019; ISM, WCB, and National regions came in \$0.64, \$0.86, and \$0.50 USD/cwt higher than the previous day. The degree to which this trend maintains itself remains to be seen, but historical data points to a cash market recovery at this time of year heading into the spring. In the meantime, the value of the cut-out has improved, led by bellies and loins which has offset decreases in butts, picnics, and hams. A slaughter level of 480,000 hogs yesterday shows packers are not letting up even while packer profitability has decreased slightly. Lean hog futures gapped higher at the open this morning on ideas of a worsening African Swine Fever spread and ideas that China/USA trade negotiations could result in an agreement at some point in the future; US trade negotiators are in China currently and initial releases from US officials are generally positive. However, a relatively high Canadian dollar has buffered the rally in hogs meaning Canadian forward contract prices have remained relatively steady over the past two days.

US Slaughter	
480,000	Monday
458,000	Year Ago
Daily Prices	
W. Corn Belt	\$49.88
National	\$57.76
Iowa/S. MN.	\$49.90
ML Signature 5	\$129.10
HyLife (prev. day)	\$136.31
TCP/BP2	\$129.10

**Canadian delivered soymeal prices opened lower this morning.**

Despite the ongoing 'bad news' from Brazil and ideas that the China and USA trade representatives are moving closer to establishing the framework for a larger agreement, US soybean futures have backed off from the recent trend upward. There is talk that the current levels of optimism are 'priced in' for now, meaning the market's next move upward would likely need another item to provide rational for the move. In the meantime, the bean crop in Brazil's Parana state (2<sup>nd</sup> largest producer) is pegged at 58% in good condition compared to 88% last year highlighting the challenging weather conditions in that region of the country.

**BoC Rate (Noon) prev. day**  
\$1.3313 CAD / \$0.7511 USD

Cash Prices Week Ending January 5th, 2019	
Signature 3	115.87/52.56
Signature 4	136.88/62.09
Signature 5 Brandon	126.38/57.33
h@ms Cash	134.88/61.18
HyLife	135.89/61.64
TCP/BP2	123.30/55.93
Moose Jaw/Langley	

**US corn futures opened higher this morning.**

US corn futures are seeing some strength after basically following beans over the past couple sessions. The move sees US nearby corn futures approach the upper end of the range that was established in mid-October and is thought to be a function of some trader repositioning after it made a move lower in earlier sessions and reached some technical support levels. As well, there is news coming out suggesting China could be interested in US corn purchases pending a successful trade renegotiation with the USA, but this is very speculative.

<b>2018 Top-Up Value</b> (unofficial)
\$6.50/ckg (call for details)
ISO Weans \$65.00 US Avg.
Feeder Pigs \$72.57 US Avg.

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		144.48 145.37	142.25 147.88	149.23 156.63	161.24 173.50	176.37 189.19	184.10 186.77	174.75 187.73	158.23 165.56	152.69 156.33
Soymeal Wpg/S.Man	480	478	477	482	482	488				

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