

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

Forward contract prices opened mixed this morning. US cash markets continued to make gains as the ISM and WCB reporting regions came in \$0.90 USD/cwt higher on average while the National region came in \$0.60 USD/cwt higher than the previous day. Cash rallies are typical this time of year and have been witnessed to last into the end of the first quarter depending on market conditions at any given time. For now, decent demand stemming from a strong US economy is supporting the domestic side and export markets, while witnessing some shifts in behaviour (in part due to the fallout from tariffs currently placed on US pork), is also healthy. Slaughter for the second time this week came in at 480,000 head indicating packers are not slowing down production schedules. Lean hog futures once again gapped higher at the opening bell, but the move was met with a move higher in the Canadian dollar. The net result is that Canadian priced forward contract values have remained steady relative to the recent trend. Canadian dollar traders are pushing the CAD higher ahead of this morning's Bank of Canada interest rate announcement where many observers expect the Bank to keep rates at current levels and not raise interest rates at this time.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are maintaining levels seen following the move higher over the past month despite backing off from the recent highs; markets are higher this morning. Uncertainty in the marketplace is prevalent and there are a lot of 'events' currently taking place. News is coming out suggesting that the USA/China trade talks have gone 'well' (after going on for one more day than initially scheduled), Brazil weather is an ongoing concern (especially in the Parana region), and the WASDE report, which was scheduled for release on January 11 this week, has been pushed back indefinitely as a result of the US government shutdown and preventing the market from learning official supply and demand numbers this month for now.

US corn futures opened higher this morning. US corn futures are following beans higher on some supportive weather news from Brazil and a bit of strange news surfacing that suggests China could be interested in US corn shipments and have passed a resolution allowing for GM varieties to enter the country on some (but not all) varieties of US corn. While this is good news, China has not been a recent customer of US corn in any significant capacity over the past five years. Brazil weather continues to be watched and there are some suggesting the currently decent subsoil conditions in remaining areas could be 'used up' by the end of the month if the dry conditions persist.

| US Slaughter | |
|--|--------------|
| 480,000 | Tuesday |
| 454,000 | Year Ago |
| Daily Prices | |
| W. Corn Belt | \$50.77 |
| National | \$58.36 |
| Iowa/S. MN. | \$50.81 |
| ML Signature 5 | \$130.70 |
| HyLife (prev. day) | \$136.73 |
| TCP/BP2 | \$130.70 |
| BoC Rate (Noon) prev. day \$1.3293 CAD / \$0.7523 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 | |
| 2018 Top-Up Value (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 | | 145.67 146.55 | 142.22 147.81 | 148.80 156.15 | 160.89 173.05 | 175.90 188.63 | 183.95 186.61 | 174.86 187.74 | 158.57 165.75 | 153.28 156.90 |
| Soymeal Wpg/S.Man | 475 | | | | | | | | | |

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