

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

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, January 14, 2019

For details call: (204)235-2237 or visit

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

**Forward contract prices opened higher this morning.** US cash markets resumed their seasonal trend and all reporting regions came in stronger than the previous day; the ISM, WCB and National regions were all higher by \$1.26, \$1.21, and \$0.10 USD/cwt, respectively. The careful reader will note that some US government reports (such as those reporting export numbers) have been suspended during the current US government shutdown, while others (such as the regional price reporting ones) have not. This is because the current shutdown is considered a partial one and the department responsible for reporting hog prices has remained operational. In the meantime, while pricing is available, the market will struggle a bit more with information that could influence the futures markets. On that note, lean hog futures opened higher this morning and have completely made up for yesterday's losses as of this writing. Fund rolling, and the subsequent repositioning from other traders, has been cited for the recent volatility as the fundamental picture has not changed all that much. News of more African Swine Fever outbreaks in China and wild boar culling activity along the French border in Europe are supportive as the market waits for evidence that US pork will be sourced to fill the void in either China or the EU. However, only private sales figures are being reported during the current shutdown making the determination of physical pork movements all that more difficult.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are once again lower this week as news around China activity is generally disappointing to the market. To date, China purchases have been below expectations and despite crop condition concerns in Brazil, a quicker than average start to the harvest and disappointing export data are factors pressuring US beans today. Now, the harvest is still in its infancy and it is simply too early to speculate production success on the current numbers, but if Brazil steps back into the market at its typical time, it could be a while before US beans see meaningful Chinese buying activity again. Reports surfacing that the Brazil crop could be down to 114 MMT this year is keeping the downside in check, however.

**US corn futures opened lower this morning.** US corn futures are following beans lower as the sentiment in grains and oilseeds is generally bearish this morning. This is supported on ideas that sees no real strong demand picture developing in the short to mid terms. The move, however, is not expected to represent a major move. In fact, the trade is called steady as the market waits for any new information on direction, much of which is simply not available during the shutdown at this time.

US Slaughter	
463,000	Last Week
383,000	Year Ago
Daily Prices	
W. Corn Belt	\$51.80
National	\$59.53
Iowa/S. MN.	\$51.99
ML Signature 5	\$131.10
HyLife (prev. day)	\$138.93
TCP/BP2	\$131.10
<b>BoC Rate (Noon) prev. day</b> \$1.3269 CAD / \$0.7536 USD	
Cash Prices Week Ending January 12th, 2019	
Signature 3	123.39/55.97
Signature 4	137.41/62.33
Signature 5	130.40/59.15
Brandon	
h@ms Cash	135.41/61.42
HyLife	137.26/62.26
TCP/BP2	126.38/57.33
Moose Jaw/Langley	
2018 Top-Up Value (unofficial)	
\$6.50/ckg (call for details)	
ISO Weans \$63.77 US Avg.	
Feeder Pigs \$71.59 US Avg.	

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		142.36 143.36	145.10 149.33	150.60 156.20	154.53 167.59	171.16 184.14	181.26 184.16	171.45 182.43	155.66 162.28	149.64 153.39
Soymeal Wpg/S.Man	459	458	456	456	462	471				

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.

## Forward Contracting at h@ms Marketing Services will be closed

Monday, January 21 for Martin Luther King Day in the USA. US markets will be closed.

The HMO and Opening Price reports cannot subsequently be published.

The main office will remain open and normal business resumes on Tuesday, January 22.