

Hog Prices: ↑↓ Soymeal: ↑

Corn: ↑ CDN Dollar: ↑

## US Slaughter

480,000 Wednesday

445,000 Year Ago

## Daily Prices

Iowa/S. MN. \$51.91

W. Corn Belt \$51.87

National \$60.47

ML Signature 5 \$134.08

HyLife (prev. day) \$141.19

TCP/BP2 \$134.08

**BoC Rate (Noon) prev. day**

\$1.3248 CAD / \$0.7548 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 contract prices opened mixed this morning.** US cash markets are see-sawing back and forth as ISM and WCB reporting regions are up approximately \$0.20 USD/cwt (down by \$0.30 and \$0.14 yesterday) while the National reporting region is down by \$0.49 USD/cwt (up over \$1.40 yesterday). The trend, however, is maintaining its seasonal pattern which is in an upward trend. Domestic demand and export throughput remain steady, slaughter levels are remaining near the 'new normal' levels and packer profitability is still on the positive side. A lack of significant new buyer activity and the large supply base, however, is keeping the cash markets in check. A winter storm moving into hog producing regions could disrupt pipeline flows in the short-term. Lean hog futures sold off yesterday and are trading at lows last seen in November 2018. The levels have not reached all time contract lows, but the move is approaching some major support levels which, if breached, could result in a move lower still. Pessimism and uncertainty on the China/USA trade front coming from a US Trade Representative and a lack of ASF-related pork movement (sales or shipments) is adding to a 'risk off' tone in the marketplace. Mexican pork tariffs still remain in place. There are rumors some large institutional firms are actively hedging while there is anecdotal evidence some speculative traders are sitting on the sidelines in the meantime. All told, a nine-month Canadian forward contract has dropped approximately \$12 CAD/kg compared to only a couple weeks ago.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are higher to start the Thursday session continuing the supportive move seen yesterday. While it is true that South America is seeing some challenging weather that includes too much rain in Argentina and too much dry weather in Brazil, there is talk that the potential damages may already be 'priced in' meaning further upside for now is likely limited. In the meantime, support is thought to be in part a function of reaching technical support levels rather than any rally per se. Large US ending stocks and a lack of buying news from China is keeping any significant upside potential in check for now.

**US corn futures opened higher this morning.** The EIA Ethanol Production report was released this week and has provided a boost to the trade that was resting near technical support levels earlier this week. Recall that approximately one third of the US corn crop is used in ethanol production meaning these reports are often important pieces of information. Ethanol production fell 1% than last year's pace which is still strong considering last year saw record numbers; it was also up 5% from last week. While corn used in ethanol was estimated at below the pace the USDA has earmarked as needed to reach annual disappearance estimates, it is off by less than one half of one percent.

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		136.04 137.05	138.20 142.44	143.90 149.53	151.68 164.80	168.39 181.43	178.43 181.14	170.06 180.14	154.29 160.90	149.18 152.95
Soymeal Wpg/S.Man	463	462	460	465	465	474				

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## 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.