

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

| US Slaughter   |              |
|--|--------------|
| 473,000  | Thursday     |
| 425,000  | Year Ago     |
| Daily Prices   |              |
| Iowa/S. MN.  | \$52.58      |
| W. Corn Belt   | \$52.13      |
| National   | \$60.75      |
| ML Signature 5   | \$135.19     |
| HyLife (prev. day)   | \$141.65     |
| TCP/BP2  | \$135.19     |
| <b>BoC Rate (Noon) prev. day</b><br>\$1.3294 CAD / \$0.7522 USD        |              |
| Cash Prices Week Ending<br>January 19th, 2019                          |              |
| Signature 3  | 125.51/56.93 |
| Signature 4  | 141.83/64.33 |
| Signature 5<br>Brandon   | 133.67/60.63 |
| h@ms Cash  | 139.83/63.43 |
| HyLife   | N/A          |
| TCP/BP2<br>Moose Jaw/Langley   | 130.40/59.15 |
| <b>2018 Top-Up Value</b> (unofficial)<br>\$6.50/ckg (call for details) |              |
| ISO Weans \$63.77 US Avg.  |              |
| Feeder Pigs \$71.59 US Avg.  |              |

**Forward contract prices opened higher this morning.** US cash markets are all pulling in the same direction to finish the week with all reporting regions higher on the day. The ISM, WCB and National regions came in \$0.67, \$0.16, and \$0.28 USD/cwt above the previous session. Packers are competing for hogs and running near the upper levels of the new normal slaughter schedules. The carcass value was net \$0.46 USD/cwt higher although hams were only leading in the second place behind ribs while bellies were notably lower. Translated to Canadian dollars, the seasonal trend remains in place with Western Canadian cash prices maintaining the upward trend seen typically at this time of year. The support wouldn't be considered a rally at this point, but the trend upward is a positive development considering the uncertainty in the marketplace. Lean hog futures climbed ever-so-slightly higher over the course of the trading session and are higher this morning as of this writing. Volatility will likely be a common feature in the hog futures markets as official word from US officials on trade developments is anything but consistent and even the market appears to be tiring of the constant flow of conflicting information. Anecdotal evidence suggests that futures traders are taking a 'risk off' approach and/or sitting on the sidelines for now, and the futures market very much appears to be reflecting that sentiment.

**Canadian delivered soymeal prices opened higher this morning.** Volatility in markets and significant strength materialized mid-trade yesterday as rumors and conflicting information abounded. Reports surfaced that China was buying (or talking about buying) US wheat. Then the Wall Street Journal reported that Secretary Mnuchin said removing tariffs from China might be positive for negotiations while trade representative Lighthizer maintained there has been very little to no movement on the structural disagreements. All told, the market appeared to like the wheat/Mnuchin story better and beans rallied 13 cents per bushel higher on the day. The drama is far from over and uncertainty in the markets is the likely path forward in the short-to-medium terms.

**US corn futures opened lower this morning.** Like beans, US corn futures got a boost following the wheat story where, apparently, US corn may also be included in the mix. There is also talk that China is considering committing to buying 'agriculture products' on multi-year commitments. However, the specifics on these developments are anything but precise and more likely considered rumors. Regardless, it didn't stop corn futures from bouncing off the technical support levels and the trade ended approximately 6 cents per bushel higher on the day. The degree to which the momentum is sustained very much remains to be seen although it should be noted that futures values have backed off this morning.

| Forward Range<br>(at opening) | Jan | Feb              | Mar              | Apr              | May              | Jun              | Jul              | Aug              | Sep              | Oct              |
|-------------------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf<br>Sig. #5         |     | 138.41<br>139.42 | 140.20<br>144.43 | 145.66<br>151.26 | 152.16<br>165.22 | 168.80<br>181.78 | 179.33<br>182.24 | 172.14<br>181.52 | 156.34<br>162.96 | 150.49<br>154.25 |
| Soymeal<br>Wpg/S.Man          | 465 | 464              | 462              | 468              | 468              | 476              |                  |                  |                  |                  |

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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.