

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

Forward contract prices opened lower this morning. US cash markets continued the week with the recent two-sided pattern but this time, ISM and WCB were lower while the National region reported gains. This development has been a feature of the cash markets recently that has seen previous day gains dialed-back the following day (or vice versa) as well as the ISM and WCB regions reflecting an opposite trend compared to the National region. It is likely a function of a cash market that is struggling to break to an upside typically seen this time of year. Despite modest gains across the majority of the primal cuts, the net value of the cut-out came down \$1.20 USD/cwt on the day. The belly primal was entirely responsible for this move and was a relatively large \$9.45 USD/cwt lower compared to the previous session. Lean hog futures are once again heading lower to start the second session this week. The move is in keeping with the trend the markets have seen in lean hogs that started to push lower late last year. While there have been 'up' and 'down' days since the start of 2019, the trend is toward the low side with technical resistance levels now more firmly established. It will likely take some positive export news or an announcement that the two sides are working on a resolution to the Mexican pork tariff issue to spark a recovery, and both have seen little development.

Canadian delivered soymeal prices opened mixed this morning. Double digit losses were witnessed mid-trade yesterday but backed off the lower tack to finish a more modest \$0.07 USD/bu. lower on the day. The market has since recovered and is trading higher this morning. The earlier pressure stemmed from reports that the recent preparatory talks between the USA and China were cancelled in response to stories that President Trump reiterated plans to impose another round of tariffs on another \$200 billion in Chinese goods. This development followed earlier news that Chinese negotiators were preparing to offer to import over \$1 trillion (USD) worth of goods over the next six years. Trade imbalance is only one issue. The other issues around intellectual property rights and technology transfers are far from being resolved. In the meantime, volatility is a likely feature of any market with ties to China.

US corn futures opened higher this morning. US corn futures are also exhibiting some volatility albeit not to the same degree as beans. The nearby contract is trading in a relatively tight pattern in the middle of the trading range that was established in October/November of last year. There is not nearly the drama associated with beans entering the US corn trade, but the absence of USDA data does make for some slightly more difficult decision making. While export volume reports are suspended, the weekly inspections are still available where 1.108 MMT of corn was shipped versus a 1.0 MMT average was expected for week ending January 17.

US Slaughter	
475,000	Tuesday
453,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$52.64
W. Corn Belt	\$52.38
National	\$61.25
ML Signature 5	\$136.55
HyLife (prev. day)	\$143.34
TCP/BP2	\$136.55
BoC Rate (Noon) prev. day \$1.3340 CAD / \$0.7496 USD	
Cash Prices Week Ending January 19th, 2019	
Signature 3	125.51/56.93
Signature 4	141.83/64.33
Signature 5 Brandon	133.67/60.63
h@ms Cash	139.83/63.43
HyLife	141.14/64.02
TCP/BP2 Moose Jaw/Langley	130.40/59.15
2018 Top-Up Value (unofficial) \$6.50/ckg (call for details)	
ISO Weans \$60.86 US Avg.	
Feeder Pigs \$69.81 US Avg.	

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		137.71	137.42 141.68	142.86 148.50	152.10 165.26	168.86 181.94	180.28 183.20	173.06 182.72	157.19 163.84	151.65 155.43
Soymeal Wpg/S.Man	470	469	467	473	473	481				

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