

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, February 1, 2019

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

www.hamsmarketing.ca

US Slaughter

420,000	Thursday
466,000	Year Ago

Daily Prices

Iowa/S. MN.	\$50.26
W. Corn Belt	\$50.38
National	\$59.26
ML Signature 5	\$129.82
HyLife (prev. day)	\$137.59
TCP/BP2	\$129.82
BP4/TCP4	\$138.25

BoC Rate (Noon) prev. day
\$1.3144 CAD / \$0.7608 USD

Cash Prices Week Ending February 2nd, 2019

Signature 3	123.61/56.07
Signature 4	140.88/63.90
Signature 5	132.25/59.99
h@ms Cash	138.88/63.00
HyLife	N/A
TCP/BP2	135.77/61.58
BP4/TCP4	143.78/65.22

2018 Top-Up Value (unofficial)

\$6.50/ckg (call for details)

ISO Weans \$60.96 US Avg.

Feeder Pigs \$71.45 US Avg.

Forward contract prices opened lower this morning. US cash markets reversed course from the previous day and all reporting regions are lower to finish the week. The WCB, ISM, and National reporting regions are down \$1.39, \$1.13 and \$0.90 USD/cwt, respectively to conclude the fifth week since the start of the year. Comparatively, cash weakness typically develops around week eight. However, the cash markets have struggled to make significant gains since the start of the year and recent indicators suggest the market could already be entering a period of springtime weakness. If the market has turned around, the trend will be revealed in the coming weeks. Although slaughter is expected to come in below the recent highs this week, inclement weather is the reason for the decrease, and not indicative of any trend. Lean hog futures traded under more pressure again this week as no evidence of increased demand is surfacing. If there was an ASF premium built into the April contract, it has all but evaporated recently and is now trading at the contract lows seen last August. The summer month contracts have fared only slightly better closing at lows last seen in September while the December contract is still holding relative value. The market appears to be acknowledging that if there is any ASF-related opportunity, it will likely not develop until much later in the marketing year.

Canadian delivered soymeal prices opened higher this morning. President Trump announced another 5 MMT in beans will be purchased by Chinese buyers after the China/USA trade talks yesterday via a letter from president Xi. There was confusion on the extent of the commitment (at first being reported as 5 MMT per day with no amount of days cited), but it appears the commitment is for another 5MMT at some time, not over consecutive days. The announcement came after the markets had closed and today we see support as optimism once again returns to the market. The extent to which Chinese purchases go toward alleviating the massive amounts of beans in the USA this year very much remains to be seen.

US corn futures opened higher this morning. US corn futures are following beans higher to finish the week as optimism on the China/USA trade talks once again returns to the grain markets. Earlier, there were reports that Chinese buyers could commit to purchase 12 MMT of US corn and the hope now is for those buyers to make good on the statement. Trade talks have not been concluded but both sides appear to be projecting positive messages, even if they so far lack in substance.

Forward Range
(at opening)

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Maple Leaf
Sig. #5

124.99
129.16

130.51
136.04

143.39
156.30

159.84
172.68

172.05
174.92

169.41
176.09

153.80
160.34

147.99
151.70

Soymeal
Wpg/S.Man

459

458

466

466

475

475

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.

follow us @hamsmarketing



STRENGTH IN NUMBERS

