

US Slaughter

476,000	Monday
318,000	Year Ago

Daily Prices

Iowa/S. MN.	\$76.58
W. Corn Belt	\$75.20
National	\$75.53

ML Signature 5	\$181.32
HyLife (prev. day)	\$177.63
TCP/BP2	\$181.32
BP4/TCP4	\$178.80

BoC Rate (Noon) prev. day
\$1.3337 CAD / \$0.7498 USD

Cash Prices Week Ending March 30, 2019

Signature 3	180.08/81.68
Signature 4	164.02/74.40
Signature 5	172.05/78.04
h@ms Cash	162.02/73.49
HyLife	167.11/75.80
TCP/BP2	145.13/65.83
BP4/TCP4	144.65/65.61

2019 Rolling Top-Up Estimate

\$6.95/ckg

ISO Weans \$59.96 US Avg.

Feeder Pigs \$86.96 US Avg.

Forward contract prices are higher this morning. US cash markets appear to be maintaining the upward tack for the second day of the week with the National region \$1.22 USD/cwt higher on the day. We say 'appear' because the ISM and WCB cash prices were not reported yesterday. Slaughter levels are steady at the normal levels considering the new plant capacity and the cut-out keeps chipping away at higher levels as the days progress. Lean hog futures gapped higher at the open following last week's pressure that developed from lack of commitment or follow-through buying from Chinese agents, plus profit taking from the managed money accounts. This morning's strength is an example of the volatility the market is likely to see in the absence of clarity regarding the export trade in the short term. There is almost no question that China will be missing a lot of pork and that the disease is currently underreported. However, modest commitments to purchase US pork seen over the past few weeks and a cancellation last week (commitments are not sales) has shrouded the market in uncertainty. As well, there is some commentary starting to surface regarding the potential closure of the Mexico/USA border and what that would mean for the US pork trade with Mexico (the USA's number one customer by volume, currently, and, by far, the largest purchaser of US hams). In the meantime, today's early morning rally has recovered the trade to levels seen at mid-trade, last Friday.

Canadian delivered forward contract prices opened higher this morning. US soybean futures are trading higher, soybean meal is mixed, and all eyes are on China once again. Larry Kudlow (Director, National Economic Council) has said that negotiations with China could take months but the recent purchase by China of some 800,000 MT has breathed some life into the trade. The more cautious analysts note that feed demand due to ASF could limit bean demand and that Brazil has already shipped and large amount of beans to the region. In the meantime, rampant speculation and hope will likely be a principle driver in the current market. Planting progress will also be watched but that story isn't getting much attention even with the poor weather seen recently.

US corn futures opened lower this morning. Volatility in the US corn trade is expected to be a feature of the market until more certainty returns. To be sure, there is always a bit of uncertainty in any market, but the present situation appears overly 'noisy'. China has signalled it could buy 12 MMT of US corn; ethanol is in an odd state; poor weather and flooding has prompted talk of shifting acres; Brazil's second crop is in good shape. Any one of these issues alone could be enough to be a market mover. Combined, it is creating a level of uncertainty the market may just be starting to price in.

Forward Range
(at opening)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		163.67 185.27	191.99 207.71	206.20 208.12	193.84 207.85	183.06 189.48	177.44 181.07	157.78 170.45	155.44 160.82
Soymeal Wpg/S.Man	457	460	466	465	468	471			

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