

Hog Margin Outlook

Meeting Your Marketing Needs

Friday, April 12, 2019

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

www.hamsmarketing.ca

US Slaughter

429,000	Thursday
465,000	Year Ago

Daily Prices

Iowa/S. MN.	\$76.26
W. Corn Belt	\$74.66
National	\$78.37

ML Signature 5	\$184.58
HyLife (prev. day)	\$183.80
TCP/BP2	\$184.58
BP4/TCP4	\$186.09

BoC Rate (Noon) prev. day
\$1.3378 CAD / \$0.7475 USD

Cash Prices Week Ending April 13, 2019

Signature 3	185.34/84.07
Signature 4	184.89/83.87
Signature 5	185.12/83.97
h@ms Cash	182.89/82.96
HyLife	N/A
TCP/BP2	182.98/83.00
BP4/TCP4	180.15/81.72

2019 Rolling Top-Up Estimate

\$5.83 CAD/ckg

ISO Weans \$61.43 US Avg.

Feeder Pigs \$95.40 US Avg.

Forward contract prices are lower this morning. US cash markets are once again mixed to finish the last full week before the Easter holidays and appear to be cooling off for the time being. The ISM region posted no change to the previous session, WCB was \$1.20 USD/cwt lower while the National region was one penny higher. Despite the recent choppiness and slower trajectory higher, cash markets are still at seasonal highs compared to other years. For example, the WCB region is 32% higher than the average price seen at this time of year while the National region is 23% higher. The pork cut-out made net gains for the second day in a row although the ham primal saw reductions in value also for the second time in a row and have notably turned lower relative to the trend of some other cuts. There is some talk that the ongoing tariff rift with Mexico is in part to blame for the turnaround as Mexico is the largest purchaser of US hams by far. Volatility remains a prominent feature of the lean hog futures trade as it oscillates between significant strength one day, and significant weakness the next. This morning, the market has gapped lower at the open across all monitored contracts and is holding this pattern in the early morning trade, as of this writing. The push lower is likely not a trend at this point and there is news surfacing this morning that culls or deaths related to ASF could be up to 200 million head in China, the highest published number so far coming from the research arm of a reputable international bank.

Canadian delivered forward contract prices are lower this morning. US soybean futures are higher to finish the week as US/China trade talks drag on and no real developments have been revealed. Exports were disappointing this week and the big crops in South America appear to be getting bigger weighing on the trade and keeping the upside in check. Futures contracts are trading at the lower end of the range and there is talk that the market has priced in most of the bearish information for now suggesting this morning's support is mostly on technical grounds.

US corn futures are higher this morning. Like beans, US corn futures are seeing some strength this morning after reaching lows earlier in the week. Also like beans, there are thoughts the recent strength is more technical in nature than fundamentally driven. There is talk that the lows have been put in place for now so the market will wait for more news on direction. Weather is supportive as parts of the United States wrestle with what many hopes is going to be the last winter storm before planting gets underway. Fifty-degree (F) temperature shifts, blowing snow, low visibility and power outages are currently being dealt with in important agriculture areas.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #5		191.63 197.15	203.38 217.18	218.17 219.90	214.32 221.75	204.49 210.31	198.79 204.33	183.08 194.56	176.67 185.64	172.43 183.24
Soymeal Wpg/S.Man	456	459	463	461	466	469				

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