

US Slaughter

474,000 Tuesday
467,000 Year Ago

Daily Prices

Iowa/S. MN. \$81.86
W. Corn Belt \$81.54
National \$82.73
ML Signature 5 \$198.87
HyLife (prev. day) \$195.94
TCP/BP2 \$198.87
BP4/TCP4 \$197.12

BoC Rate (Noon) prev. day
\$1.3423 CAD / \$0.7450 USD

Cash Prices Week Ending April 27, 2019

Signature 3 200.35/90.88
Signature 4 194.53/88.24
Signature 5 197.44/89.56
h@ms Cash 192.53/87.33
HyLife 193.67/87.85
TCP/BP2 189.41/85.92
BP4/TCP4 188.08/85.31

Cumulative Top-Up Estimate

\$4.91 CAD/ckg

ISO Weans \$65.19 US Avg.

Feeder Pigs \$96.35 US Avg.

Forward contract prices are mixed this morning. US cash markets turned higher following two days of general softness and a 'backing off' of the trajectory upward. The ISM, WCB, and National regions were all higher by \$1.06, \$1.77, and \$0.86 USD/cwt respectively. The move stood in contrast to a weakening cut-out that came in net \$2.77 USD/cwt lower on the day. Bellies led lower by a whopping \$12.52 representing a reversal from the previous trend that had the primal on pace to surpass 2014 price levels last week. It did not and is now residing just above post-2014 levels that will not be considered counter-seasonal for another couple weeks. Bellies typically see some support return to the cut near week 17 or 18 per the historical trends and sees highs in July. Lean hog futures got off to a choppy start this morning and at first traded lower but are now moving higher as of this writing. The market has moved lower as a trend since the beginning of the month and ended April on a lower note. Some are claiming that the China premium has been built in for now and there is subsequently talk that these levels represent a good buying opportunity based on expectations and hope that a new round of support will be seen once a trade deal (or memorandum of understanding) with China is announced and the 'additional' 50% pork tariff on US pork to China is removed. There are a lot of 'ifs' in these statements and the timeline is as murky as ever. For now, traders can likely expect more volatility until certainty appears on the China front. In the meantime, many futures contracts, especially those representing Q4 2019 are residing amid historical highs.

Canadian delivered forward contract prices are lower this morning. US soybean futures are seeing pressure this morning as China talks drag on and the US corn planting pace remains behind the seasonal averages. While there is some unofficial communication suggesting that a trade deal with China is coming soon, the market seems to have tired of these 'releases' that have so far not led to anything concrete. There is increasing talk surfacing that acreage intended for corn will be switched to bean acres which would add pressure considering there are still a lot of old crop stocks to clear the market.

US corn futures are higher this morning. The move higher follows from ideas that the bottom has been reached and some thoughts that planned acreage could be moved over to beans. US corn futures saw months of pressure that arguably developed at the end of the year. Weakening ethanol demand and trade issues have all contributed which ultimately saw the lowest closing low in the nearby contract last week. There still isn't much fundamentally to provide support, so the move is mostly technical, but the idea that the US could see less acreage is somewhat supportive.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5			198.78 205.46	205.82 207.75	199.31 209.12	191.00 196.83	186.75 191.63	175.33 186.27	181.55 178.53	172.19 183.04	185.57 186.84
Soymeal Wpg/S.Man	440	443	447	445	451	453					

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