

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, May 23, 2019

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

[www.hamsmarketing.ca](http://www.hamsmarketing.ca)

## US Slaughter

470,000 Wednesday  
461,000 Year Ago

## Daily Prices

Iowa/S. MN. \$80.37  
W. Corn Belt \$79.51  
National \$83.79

ML Signature 5 \$197.44  
HyLife (prev. day) \$197.80  
TCP/BP2 \$197.44  
BP4/TCP4 \$199.44

**BoC Rate (Noon) prev. day**  
\$1.3410 CAD / \$0.7460 USD

## Cash Prices Week Ending May 18, 2019

Signature 3 204.18/92.62  
Signature 4 197.48/89.58  
Signature 5 200.83/91.10  
h@ms Cash 195.48/88.67  
HyLife 196.13/88.96  
TCP/BP2 197.06/89.39  
BP4/TCP4 196.02/88.91

## Cumulative Top-Up Estimate

\$3.87 CAD/ckg

ISO Weans \$55.53 US Avg.

Feeder Pigs \$82.06 US Avg.

**Forward contract prices opened mixed this morning.** The more volatile ISM and WCB cash reporting regions were down by \$1.76 and \$2.66, respectively, while the National region came in at a more modest \$0.04 USD/cwt lower than the previous session. The net result is that Canadian cash prices are lower compared to the previous day in a move that is considered counter-seasonal for this time of year. To be sure, it does not yet represent a trend and in fact, more strength is expected as the market moves into the summer months. However, the market has not yet been able to shake the bearish tone amid unresolved trade issues for example and there are at least a few commentators suggesting that the poor weather in parts of the US is having a negative impact on domestic grilling demand. Of course, that is more difficult to establish, but it does highlight a tone in the marketplace that is less than optimistic currently. The weakness in the cash index is being cited as in part a reason for the gap lower in the lean hog futures market this morning. The trade has retraced some of the earlier lows, but values are still below yesterday's close as of this writing. While this morning's weekly export sales report showed China has committed to purchasing a fairly large 31,400 MT volume of US pork, it has not been enough to overcome the pessimism in the trade. On the positive side, it might suggest that China will be more willing than initially thought to purchase product despite escalating trade tensions and perhaps speaks to the 'need' in the country. On the other hand, commitments are not sales and a full-blown trade war has yet to develop.

**Canadian delivered forward contract prices opened higher this morning.** This morning's export sales report showed net sales of 535,800 MT which was just over the mid-point expectation. Pre-report estimates came in between 100,000 and 800,000 MT highlighting that there was virtually no consensus on sales expectations ahead of the report. While the numbers were higher than last year, they fall short of the pace needed to hit USDA targets for the current marketing year by approximately 43 million bushels.

**US corn futures opened higher this morning.** US corn futures have seen a bit of strength recently, but the nearby contract has yet to break the \$4.00 USD/bu level that was last seen in early March for a daily closing. Pre-export sales report expectations were for between 250,000 and 1,050,000 MT again reflecting the lack of consensus among pundits and analysts. The report revealed 442,100 MT in net sales were made falling among the lower end of the estimated range.

Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #5		207.47	204.56 206.99	196.60 208.20	188.05 194.12	183.99 188.96	176.14 184.30	174.68 178.25	174.13 184.98	184.18 188.24	180.60 182.29
Soymeal Wpg/S.Man	447	446	444	450	452	455					

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  


**Risk Management will be closed on Monday, May 27 for Memorial Day in the USA.** Opening Prices and the HMO will not be published on that day. Forward Contracting will remain closed.

The Main Office will be open during this time.  
Normal business resumes on Tuesday, May 28.

STRENGTH IN NUMBERS

