

# Hog Margin Outlook

Meeting Your Marketing Needs

Thursday, January 28, 2021

For details call: (204)235-2237 or visit [www.hamsmarketing.ca](http://www.hamsmarketing.ca)

## US Slaughter

492,000 Wednesday  
495,000 Year Ago

## Daily Prices

WCB	\$57.50
National	\$69.56
Nat'l Cutout Adj	\$73.00
Signature 4	\$157.74
BP4/TCP4	\$157.74
HyLife Cash	\$166.55
HyLife Cutout	\$174.78

**BoC Rate (Noon) prev. day**  
\$1.2775 CAD / \$0.7828 USD

## Cash Prices Week Ending January 23, 2021

Signature 4	152.94/69.37
h@ms Cash	150.94/68.47
HyLife Cash	162.63/73.77
HyLife Cutout	171.53/77.81
BP4/TCP4	152.31/69.09
OlyWest 2020	150.50/68.27
OlyWest 2021 (Cutout)	169.00/76.66

**2020 Top-Up (Estimated Final)**  
\$17.16 CAD/ckg

ISO Weans \$52.37 US Avg.

Feeder Pigs \$70.33 US Avg.

**Forward contract prices opened mixed this morning.** Daily US cash markets are modestly higher and maintaining an overall upward trend that has been seen over the past couple weeks; WCB is up \$0.64 USD/cwt, National is \$0.17 higher, and the National cutout-adjusted base is up \$0.16. Prices remain supported on good domestic and export demand pull-through and there are expectations once the post-Covid economy opens back up, further support could develop especially if the pipelines return to more normal and freezer inventories start to be replenished. The timing of these 'events' will be key. In the meantime, lean hog futures are appearing to consolidate at present levels and have been trading in a relatively tight range over the past three sessions. This morning's weekly Export Sales report normally would have been considered bullish as new net sales were strong at 52,855 MT which is 17% higher than week ago, over double what is normally seen in this marketing week on average (excluding 2020), and 74% higher than last year. However, the market may be responding to China's 'second place' positioning which, at 13,900 MT, is still an impressive volume, but well off the 25,000+MT that was seen sporadically in other weeks that previously provided rationale for the market to move higher. In the context of the 'changing' ASF situation in China, today's China numbers could be considered disappointing. Mexico was once again in the number one position at 18,900 MT for the second consecutive week for the reporting period. Physical deliveries were good at 39,622 MT but 3% lower than the previous week.

**US soymeal futures opened lower this morning.** Weekly exports of US soybeans (physical deliveries) remained above 2 MMT for the third consecutive week as China makes good on their commitments. New net sales for the current marketing year were disappointing coming in at 466,041 MT which was 74% lower than the previous week. Curiously, new marketing year commitments came in at 1.564 MMT which is an exceptionally large commitment for this marketing week for that far out and highly unusual.

**US corn futures opened mixed this morning.** Physical exports of US corn rebounded 59% relative to the previous reporting period coming in at 1.413 MMT. Typical volumes for this marketing week are approximately 800,000 MT on average. New net sales are at the highest level going back to 2010 for this marketing week and came in at 1.850 MMT which is 66% higher than the five-year average.

FC Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
Maple Leaf Sig 4			157.83 165.79	165.79 172.99	170.72 182.31	184.58 192.30	189.62 192.76	183.90 193.43	166.75 174.93	164.05 166.32	152.24 160.87
Soymeal Del Wpg/S.Man	n/a										

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STRENGTH IN NUMBERS

