

# Hog Margin Outlook

Meeting Your Marketing Needs

Monday, April 5, 2021

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

2.470 mil.	Last Week
2.573 mil.	Year Ago

## Daily Prices

WCB	\$99.07
National	\$97.92
Nat'l Cutout Adj	N/A
Daily Cutout	\$109.51

Signature 4	\$218.38
BP4/TCP4	\$218.38
HyLife Cash	N/A
HyLife Cutout	N/A

**BoC Rate (Noon) prev. day**  
 \$1.2565 CAD / \$0.7959 USD

## Cash Prices Week Ending

April 3, 2021

Signature 4	216.21/98.07
h@ms Cash	214.21/97.17
HyLife Cash	230.57/104.59
HyLife Cutout	231.40/104.96
BP4/TCP4	206.33/93.59
OlyWest 2020	217.30/98.57
OlyWest 2021 (Cutout)	227.40/103.15

ISO Weans \$48.18 US Avg.

Feeder Pigs \$100.96 US Avg.

**Forward contract prices opened lower this morning.** Weekly US cash prices are once again higher with all regions posting gains relative to the previous reference period. While the WCB has seen stronger one-week gains in the past this year, the \$4.79 USD/cwt increase this week represents another impressive move. The National region saw its largest weekly move upward and came in \$4.14 higher while the USDA cutout-formula base was \$3.81 stronger, the second largest move upward since the beginning of the year. The weekly National cutout-adjusted base will be up by a more modest \$0.90 (approximately) when determined later today and while the value of the cutout is showing some signs of 'backing off', the net result has been to see a steady increase in carcass value despite some daily variability in the primals. Daily US cash markets are starting the week off higher and maintaining the tack upward that has been the trend since the beginning of the year. If the current trajectory remains in place, however, it could represent a bit of a 'levelling' period. To be clear, we are not calling for a 'top' today, and further gains are quite likely considering a fundamental picture that remains supportive. Regardless, even in 2014, the market did cycle amid the highs and there were periods of softness and strength out to the fourth quarter. Lean hog futures are mixed to start the week with the nearbys showing some strength while the deferreds modestly retrace from the recent highs. Like cash, it is much too early to call 'a top' but the market's technical set up (daily charts) would suggest substantial upside appears limited (it has been since February though...) and the strength seen last week was less intense than previous weeks.

**US soymeal futures opened higher this morning.** It is still a holiday for some in the global markets, so analysts and commentators are calling for Tuesday to be the first 'full day' of the week. A large correction developed on Thursday, following the previous 'limit up' reaction to the bullish acreage report on March 31. Generally, however, no new contract highs were achieved, and the market has been essentially trading in a sideways pattern since January and at the upper end of the recently established range that was more or less determined in March. Variables appear to be priced in for now.

**US corn futures opened mixed this morning.** US corn futures are backing off from the contract closing highs that were observed in the session when the acreage and grains stocks reports were released last week. Like beans, the fundamental picture is a bit clearer after the USDA released official estimates on March 31. The market will likely now pay much more attention on domestic crop progress and the weather for clues on direction.

Forward Range  
(at opening)

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf  
Sig 4

209.89  
221.22

222.55  
230.99

224.75  
231.43

213.25  
223.46

185.22  
194.10

182.43  
184.87

165.16  
172.49

163.60  
167.16

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**h@ms Marketing Services will be closed**

Friday, April 2 for Good Friday. Markets are closed. Forward contracting will be suspended and the HMO and Opening Price information will not be published.

Operations resume on Monday, April 5.