

Hog Margin Outlook

Meeting Your Marketing Needs

Monday, April 19, 2021

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

US Slaughter

2.469 mil.	Last Week
2.239 mil.	Year Ago

Daily Prices

WCB	\$105.84
National	\$101.44
Nat'l Cutout Adj	\$101.44
Daily Cutout	\$112.09
Signature 4	\$225.12
BP4/TCP4	\$225.12
HyLife Cash	\$239.59
HyLife Cutout	\$239.59

BoC Rate (Noon) prev. day
\$1.2503 CAD / \$0.7998 USD

Cash Prices Week Ending

April 17, 2021

Signature 4	223.79/101.51
h@ms Cash	221.79/100.60
HyLife Cash	238.61/108.23
HyLife Cutout	239.02/108.42
BP4/TCP4	219.63/99.62
OlyWest 2020	229.10/103.92
OlyWest 2021 (Cutout)	236.80/107.41

ISO Weans \$50.04 US Avg.

Feeder Pigs \$101.31 US Avg.

Forward contract prices opened lower this morning. Daily US cash markets continue to climb, and all regional base pricing (daily) has been trading above \$100.00 USD/cwt. in a trend that began last week. The negotiated WCB region has seen higher weekly values compared to the formula regions for five consecutive weeks (National, for example), a duration that has not happened since the 2014 marketing year. The WCB typically 'leads higher', but it also 'leads lower' and market participants will be watching it closely for signs of a reversal that could indicate a shifting trend. In the meantime, the overall trend remains biased higher for now as the cash market prices-in real time fundamentals. The weekly net cutout value is also once again higher but the week over week increase came in less than 1% above the previous reporting period for the first time since early February. It is much too early to suggest that demand is tapering off, but last week also represented the first time the belly primal was lower relative to the previous week since marketing week eight. Bellies typically do not 'level off'; they are either moving consistently higher or consistently lower so the primal will be watched very closely for clues on direction. That said, the daily value of the belly is higher today compared last week's average benchmark. Lean hog futures are exhibiting signs of consolidation and while higher than the previous session this morning, they have not made up for the losses seen last week. Suspected institutional repositioning at the beginning of last week and a relatively poor Export Sales report (new net sales) weighed on the trade. The market will have a sharp eye on this week's Export Sales report that will be released on Thursday. If successive Export Sales reports are disappointing relative to expectations, it will likely keep any upside potential in check, although if China comes in strong again (and China commitments are very inconsistent), sustained support could return. The nearby contract is currently trading at values last seen on March 25.

US soybean futures opened higher this morning. After closing above \$14.00 USD/bu. on Friday, follow-through buying continues to start the week with both May and July bean contracts trading above \$14 as of this writing. It is presently a 'weather market' underpinned by a tight US balance sheet that is providing ongoing support. Closing highs for the current contracts could be reached in a variety of soybean futures if today's momentum is maintained.

US corn futures opened higher this morning. Like beans, weather issues are supportive to US soybean futures to start the week. Brazil is being closely watched where the Safrinha (second crop) is expected to get some scattered showers where dry conditions have been persistent. Managed money is historically net long suggesting investors are still bullish for US corn for the time being.

Forward Range
(at opening)

May

Jun

Jul

Aug

Sept

Oct

Nov

Dec

Maple Leaf
Sig 4

211.80
213.36

215.80
224.02

214.45
221.58

204.00
215.78

180.07
188.96

174.9
179.33

162.74
172.28

161.19
164.74

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
twitter

Some Important Phone Numbers

Main Office: 204-233-4991

Toll Free: 1-800-899-7675

Logistics: 204-235-2225

Risk Management: 204-235-2237

STRENGTH IN NUMBERS

