
MARKET WATCH

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Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.

*“Nobody is qualified to become a statesman
who is entirely ignorant of the problems of wheat.” – Socrates*

75% – January 3, 2022

A recent [Agricultural Producers Association of Saskatchewan \(APAS\)](#) survey showed that about 75% of farmers couldn't deliver the amount of grain required in their contracts due to the severe drought and extreme heat this summer. This issue will continue to present challenges in the New Year.

As a result, many will not contract their crops in the future because of the lack of protection in contract arrangements.

The good news is that options provide price protection strategies to help in these situations. Whether it's to protect grain that's still in the seed bag, in the field or in the bin, options give you the downside protection you need and the upside potential you want, all without having to commit your grain for delivery too far in advance.

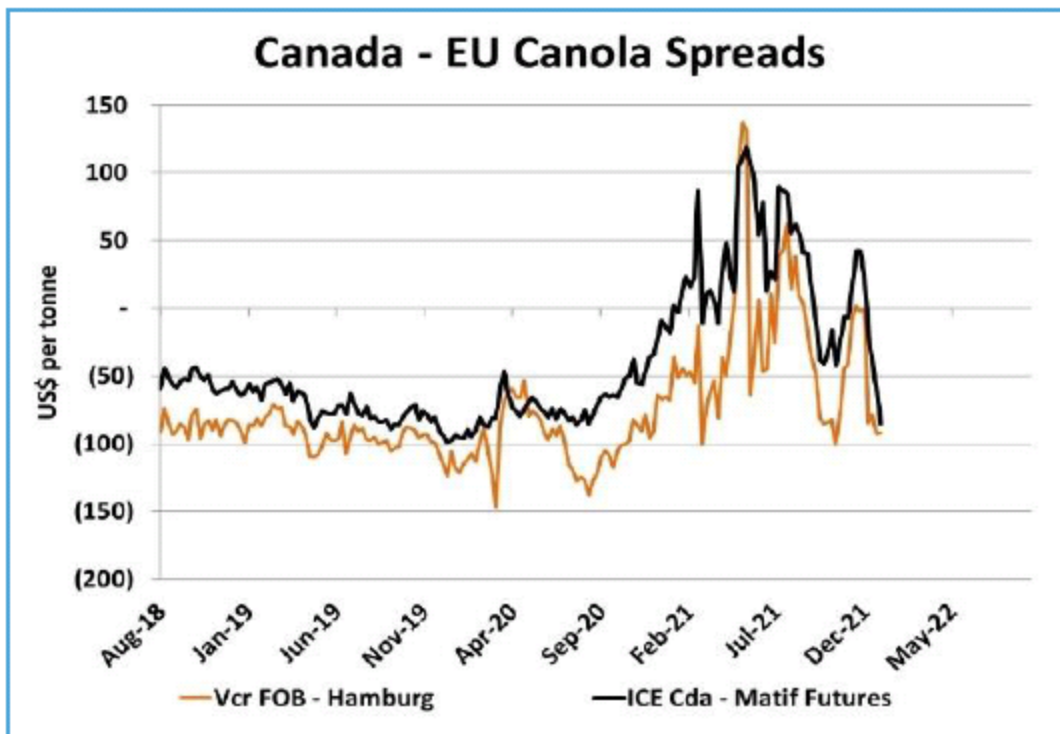
Bottom line, why wouldn't you make it a new year's resolution to learn more about options; get comfortable and confident enough to use them in your marketing plan this year, especially with dry conditions still a potential threat. To find out more about flexible grain marketing strategies, connect with me at 844-982-0011 or commodity-options.ca.

Is canola expensive? – January 10, 2022

Is canola expensive? Even with futures almost near \$1100/mt or \$25/bu, perhaps not.

Since markets are often a game of relative pricing, is canola really expensive? Not necessarily, especially compared to European rapeseed. Both rapeseed & canola futures are near all time highs and up 90% in C\$ terms over the past year... and still pointing higher.

Despite these numbers, canola is still less expensive than European rapeseed. In fact, based on analysis by [Leftfield Commodity Research](#), Canadian canola prices compared to European rapeseed are the lowest they've been in the past year. Several months ago, canola was around \$100 US per metric tonne higher than rapeseed. Now, canola is almost \$100 US per metric tonne lower than European rapeseed.

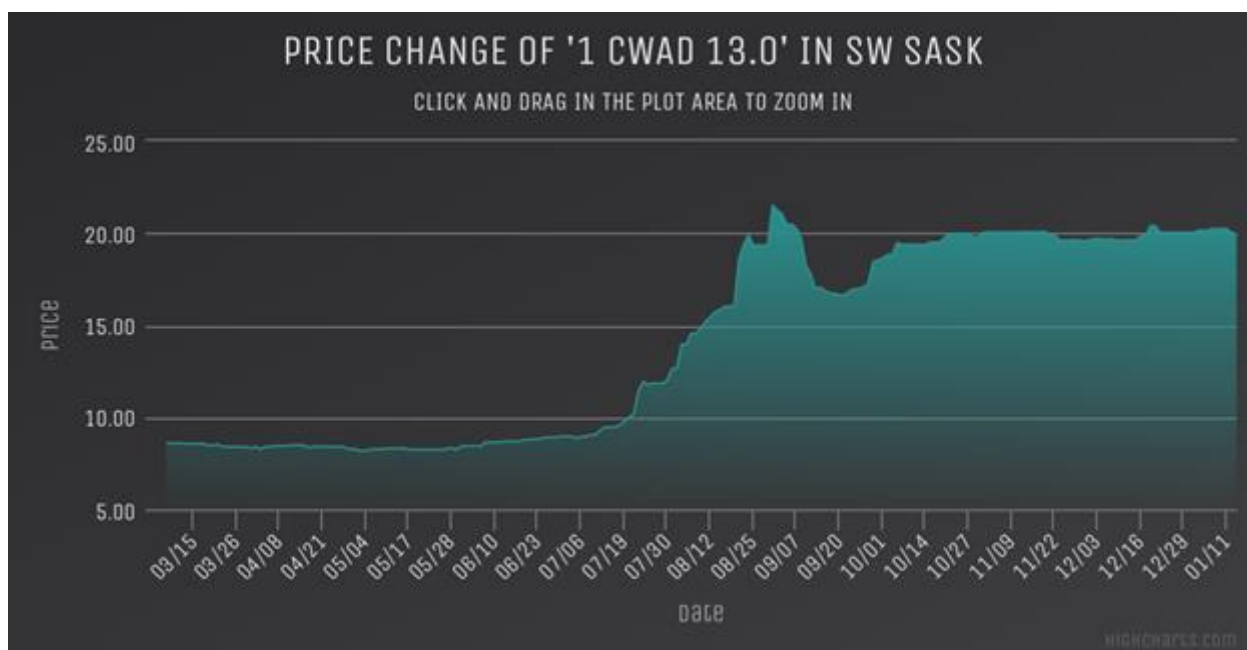


Source: Leftfield Commodity Research

Bottom line, whether you think canola prices are too high or still going higher, there are some great cash prices out there for both old and new crop canola. To find out about flexible grain option hedging strategies to capture these high prices but at the same time benefit in case prices do go higher, connect with me at 844-982-0011 or commodity-options.ca.

Should I sell some durum? – January 17, 2022

Growers were asking me about durum a lot last week and for good reason. While durum prices have been very flat for the past four months, they have still been trading sideways at a very high level around \$20/bushel since the beginning of October.



Prices are high now, but no one knows if they go up or down dramatically from here. What we do know is that durum is a less liquid market like lentils, peas or barley that can have some big price moves. We also know that durum has less marketing flexibility compared to canola, wheat, corn or soybeans which have associated options & futures markets.

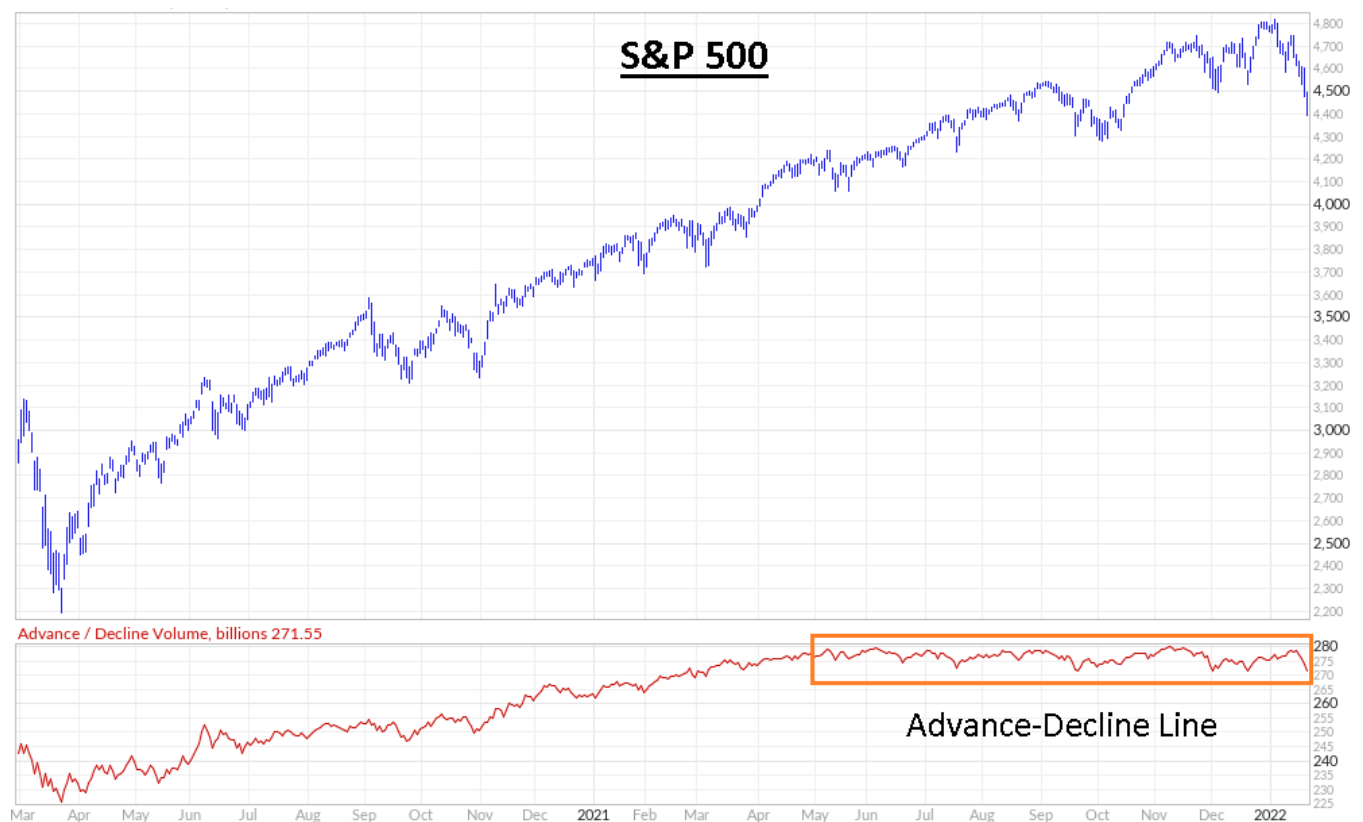
So, if you are thinking of selling something, you could sell some more durum knowing you don't have as much marketing flexibility and that you can use option strategies on your other crops to your advantage.

Bottom line, to find out about flexible commodity option strategies to hedge your marketing decisions, balance the risks and maximize revenues, connect with me at 844-982-0011 or commodity-options.ca.

Are equity market uptrends starting to lose some strength? **- January 24, 2022**

The advance-decline line indicator is a measure of market sentiment that tells us whether more stocks are rising or falling. It is used to confirm price trends in major indices and can also signal a reversal of trend.

For over six months, Advance-Divide line indicators for many global stock market indices have been going sideways. That means that the majority of stocks haven't been going up, despite the increases in the popular headline US S&P 500 index.



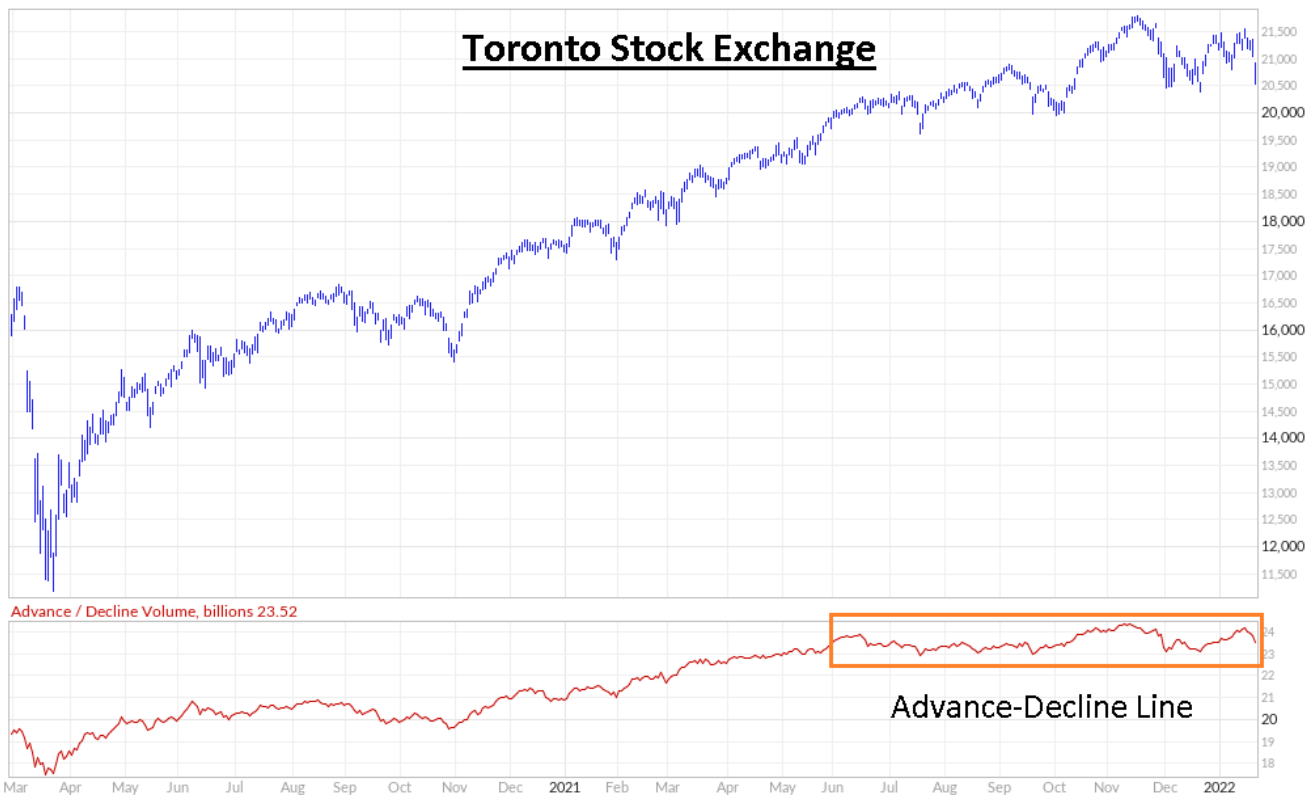


Chart Source: www.marketinout.com

Does this mean that stock markets are reversing trend? Not necessarily, but rather investors need to be more selective and focus on a portfolio of consistent dividend paying large, established companies, certain preferred shares & corporate bonds paying 5, 6 and even 7%.

Bottom line, history suggests there are still a few more years left in this bull market but markets may not be as strong as last year in the future given the US Federal Reserve and other central banks could raise interest rates. For investment strategies and portfolio management, connect with me at 844-982-0011 or commodity-options.ca.

Is the drought spreading to South America? – January 31, 2022

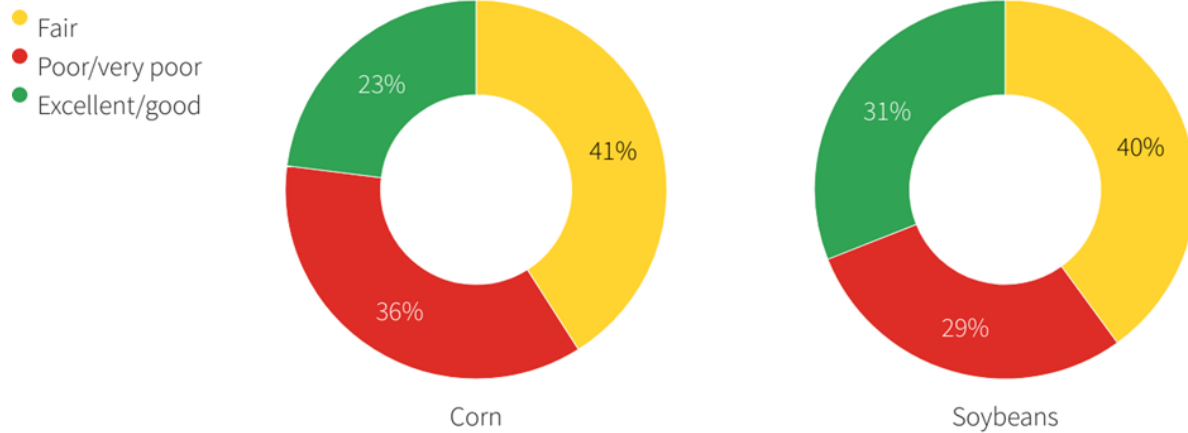
Based on DTN reporting, heat and dryness have been absolutely brutal in Argentina where Buenos Aires recently set an all-time record high temperature of 41.1 degrees Celsius.

Soil moisture has been on a steady decline for weeks and crop conditions have plummeted according to the government of Argentina.

Rain may be too late for some of the corn and soybean crops in Argentina and southern Brazil where crop conditions have been declining for weeks. In Argentina, for example, good-to-excellent crop ratings fell from 83% to 23% in corn and 87% to 31% in soybeans as of the middle of January:

Argentina: crop conditions

Argentina is the world's top exporter of processed soy, the second largest in corn and an important wheat producer. This the latest condition of the crops in the 2021/22 season.



Source: Buenos Aires grains exchange

And corn and soybeans have been responding accordingly; futures are up over 10% in the past couple of weeks.

Bottom line, with dryness now moving on to the South American growing regions, corn and soybean as well as canola and wheat options will be powerful marketing tools again this year for Canadian Prairie farmers. For grain market analysis and crop hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

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