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# 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.

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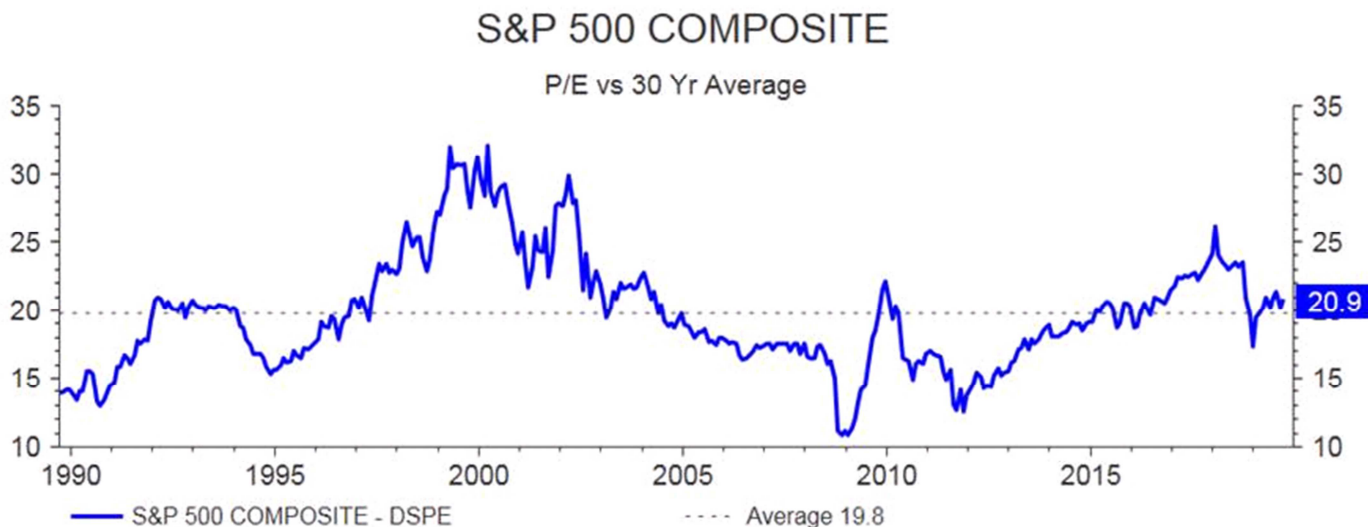
## **Is the stock market cheap or expensive? – October 7, 2019**

Stocks are in the longest bull market run in history, is it going to crash? Is the stock market overvalued? Should you be selling some of your equities?

A good way to measure the value of a company is its price earnings or P/E ratio. The P/E ratio simply measures how much you are paying to get \$1 of earnings or profit. So if a company's stock is worth \$10 and it makes \$1 per share each year, the P/E ratio is 10 to 1.

Historically, the P/E ratio for the US stock market, as measured by the S&P 500, has ranged between highs of around 30 and lows of near 10 over the past 30 years.

By this measure, the long term 30 year average is 20. Currently the ratio is 21, almost exactly in the middle and at its long term average.



Source: Refinitiv Datastream

Bottom line, stocks are not necessarily cheap or expensive, they're right in between. Regardless, a diversified portfolio of stocks, bonds and real estate investments is a good way to create cash flow and generate growth over time to help you plan for the long term. To find out more, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## Winter Weather Forecast – October 21, 2019

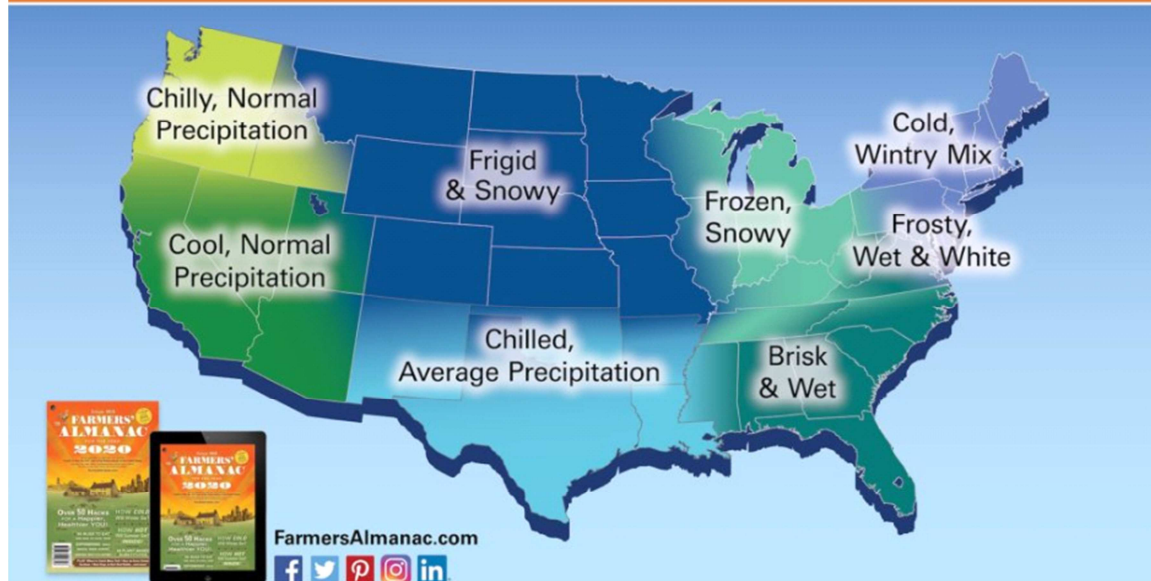
Given most of western Canada has already had its first major snow fall, it's time for the first winter weather forecast.

The Farmer's Almanac long-range forecast is calling for yet another freezing, frigid, and frosty winter for the Prairie Provinces and US Northern Plains. The coldest outbreak of the season will come during the final week of January into the beginning of February. During this time, the Arctic air could cause temperatures to drop as low as  $-40^{\circ}\text{C}$  over the Prairies! There will also likely be above-normal winter precipitation for much of Canada, the US Great Plains, Midwest and into the Great Lakes.

Finally, they say spring will be slow to start. Occasional wet snow and unseasonably chilly conditions will hang on through March and into April.

Bottom line, the Almanac says this winter will be filled with so many ups and downs on the thermometer, it may remind you of a "Polar Coaster." To help manage this weather volatility and to take advantage of any pricing opportunities that develop as a result, consider using more options & future hedging strategies in your marketing this coming year. To find out how, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).





### **New markets, new marketing opportunities – October 28, 2019**

The recent announcement of a new 250,000 tonne per year oat processing plant on the outskirts of Winnipeg offers farmers another production alternative, along with new potential marketing opportunities.

While oat production in Manitoba has been hovering around half a million acres over the past few years, it has been edging up in the last couple of years. As demand from the new Manitoba oat plant encourages another rotation option, it could also encourage farmers to use options and futures to help market that production.

Although much smaller than the canola futures markets, the size of the oats futures & options market is still almost 33 million bushels with average daily trading volume of around 2 million bushels as well as sufficient option liquidity and decent option bid-offer spreads.

Bottom line, while you still need to follow oat basis levels and track the difference between the cash and futures markets, at least there is another crop with active futures and options associated with it. To find out how to use options and futures to market and hedge your oat production, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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