
MARKET WATCH

**David Derwin – Portfolio Manager & Investment Advisor
PI Financial Corp.**

Connect at www.Commodity-Options.ca or 1-844-982-0011

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

Never say never – February 3, 2020

Never say never in life and especially in the markets.

Recently, I watched a compilation of interviews on YouTube involving talk show hosts, business people, politicians, social commentators, economists and even former President Obama during the run up to Trump being elected President. All these experts and influencers said it would never happen. This is not a political commentary but an important lesson that can be translated to the markets: Never say never.

The markets are full of events that would never happen. Remember in 2008 when oil was at \$160 /barrel? It eventually fell to \$35. Did you ever think Amazon would be one of the world's largest companies worth a trillion dollars? Or, how about government bonds in Europe and Japan trading with negative interest rates? Bitcoin started out at nothing, peaked at \$20,000 in 2017, fell back down to \$3,000 and is now near \$10,000.

Bottom line, never say never, especially when it comes to the markets. You can't always predict the future but you can prepare for it with consistent, disciplined market hedging strategies. To use options & futures programs in your farm business, connect with me at 844-982-0011 or commodity-options.ca.

It could be another tight year in 2020 – February 10, 2020

Farm Credit Canada publishes a lot of good reports and provides some very good analysis on the farming industry in Canada and they think it's going to be another tight year for profits in grain farming.

"Prices will continue to be pressured by abundant global supplies," according to FCC's recent 2020 outlook for the country's grains, oilseeds and pulses sectors. What also concerns them is the potential for increased volatility from many unpredictable sources with trade wars and protectionism being a couple of big politically driven factors.

They also believe crop input fertilizer prices will be higher before spring planting begins because of the lack of fall fertilizer placement in North America due to the delayed harvest. FCC's advice to growers is to know their break-even levels and capitalize on opportunities to lock in profits.

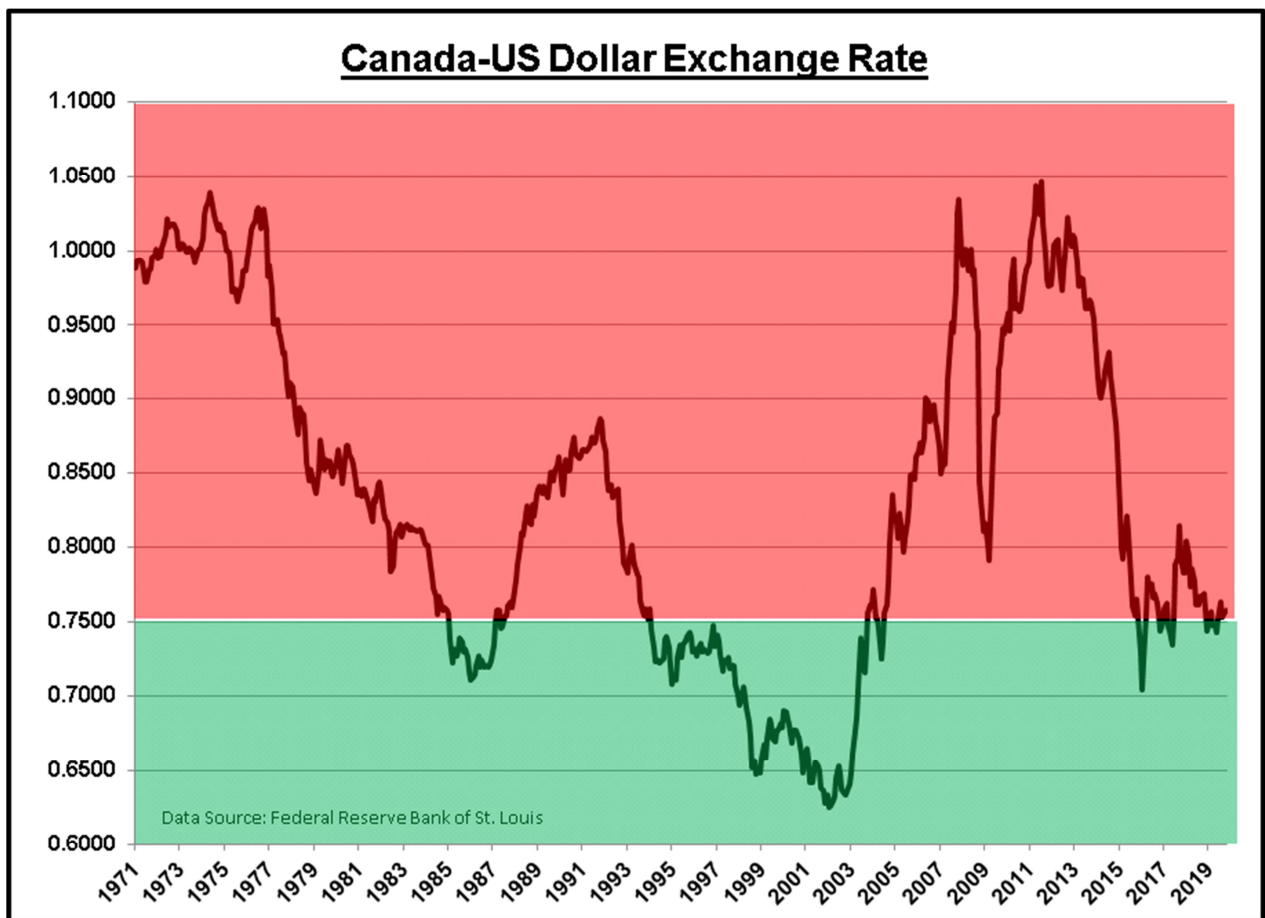
Bottom line, hedging strategies that include options and futures can help you with this. To find out more about revenue management programs for your farm business, connect with me at 844-982-0011 or commodity-options.ca.

How much is a penny worth? – February 17, 2020

How much is a penny worth? It turns out, quite a bit. Each penny change in the Canadian dollar to the US dollar is equal to about \$1 per head for hogs, \$13 to \$16 per head for cattle, and \$5 per acre for crops, based on Farm Credit Canada figures and analysis.

In 2014, the loonie was at 95 cents US and that 20 cent difference is worth “about \$100 per acre in additional revenue that producers in Canada are receiving as compared to the United States,” according to FCC.

Bottom line, it is important to have currency hedging strategies in place now when the C\$ is around 75 cents, near the low end of the range in the past 40 years, not when it's at 95 cents. By then, it's too late. To find out how revenue management strategies can benefit your farm business, connect with me at 844-982-0011 or commodity-options.ca.



Options and Commodity trading has inherent risks where significant loss of capital may occur. Investors should consult with their investment advisor to determine if options and commodity trading is suitable for their portfolio and risk tolerance profile. This document has been prepared by David Derwin, Portfolio Manager & Investment Advisor for PI Financial Corp, for information purposes only. This is not an official publication of PI Financial Corp. and the author is not a PI Financial Corp. analyst. The views expressed herein are those of the author alone, not necessarily those of PI Financial Corp. The information contained herein has been obtained from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed, nor in providing it does PI Financial Corp. assume any responsibility or liability. This document is not to be construed as an offer to sell or a solicitation of an offer to buy any securities and is intended for distribution only to those jurisdictions where PI Financial Corp. is registered as an advisor or a dealer in securities. The inventories of PI Financial Corp, its affiliated companies and the holdings of their respective directors and officers and companies with which they are associated may from time to time include the securities mentioned herein. PI Financial Corp. is a member of the Canadian Investor Protection Fund & the Investment Industry Regulatory Organization of Canada.