

# MARKET WATCH

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Below are excerpts from my weekly Market Watch radio spots.  
Market Watch is broadcast across radio stations throughout Western Canada.

*"It's not your opinion that will ever make you money or bankrupt you. The financial instrument or the strategy is vastly more important than whether you guess right."*  
-Nassim Nicholas Taleb, trader & author of "The Black Swan: The Impact of the Highly Improbable"

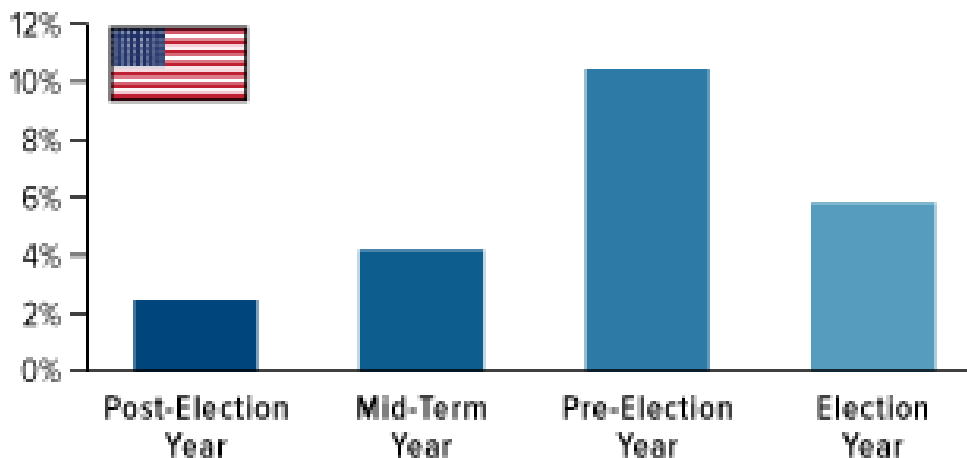
## History is a guide, not a guarantee – March 4, 2024

Elections are taking place in more than 60 countries this year. What could that mean for financial markets?

As noted in a recent report by Goldman Sachs, "elections are often accompanied by predictable policy shifts that raise economic output and lower unemployment, at least in the short run." Their research found that "government spending tends to increase, central banking policies tend to ease, and economic uncertainty drifts higher." They said "the most direct way politicians could try to steer election outcomes is by easing fiscal policy to provide a boost to the economy in the runup to the election. Monetary policy also tends to ease during election years. Interest rates decline during election years by between 20 and 25 basis points, more than would be explained by other economic factors."

### Four-Year Presidential Cycle: Average Annual Stock Market Gains

1833-2023



Past performance does not guarantee future results.

Source: Stock Trader's Almanac, U.S. Global Investors

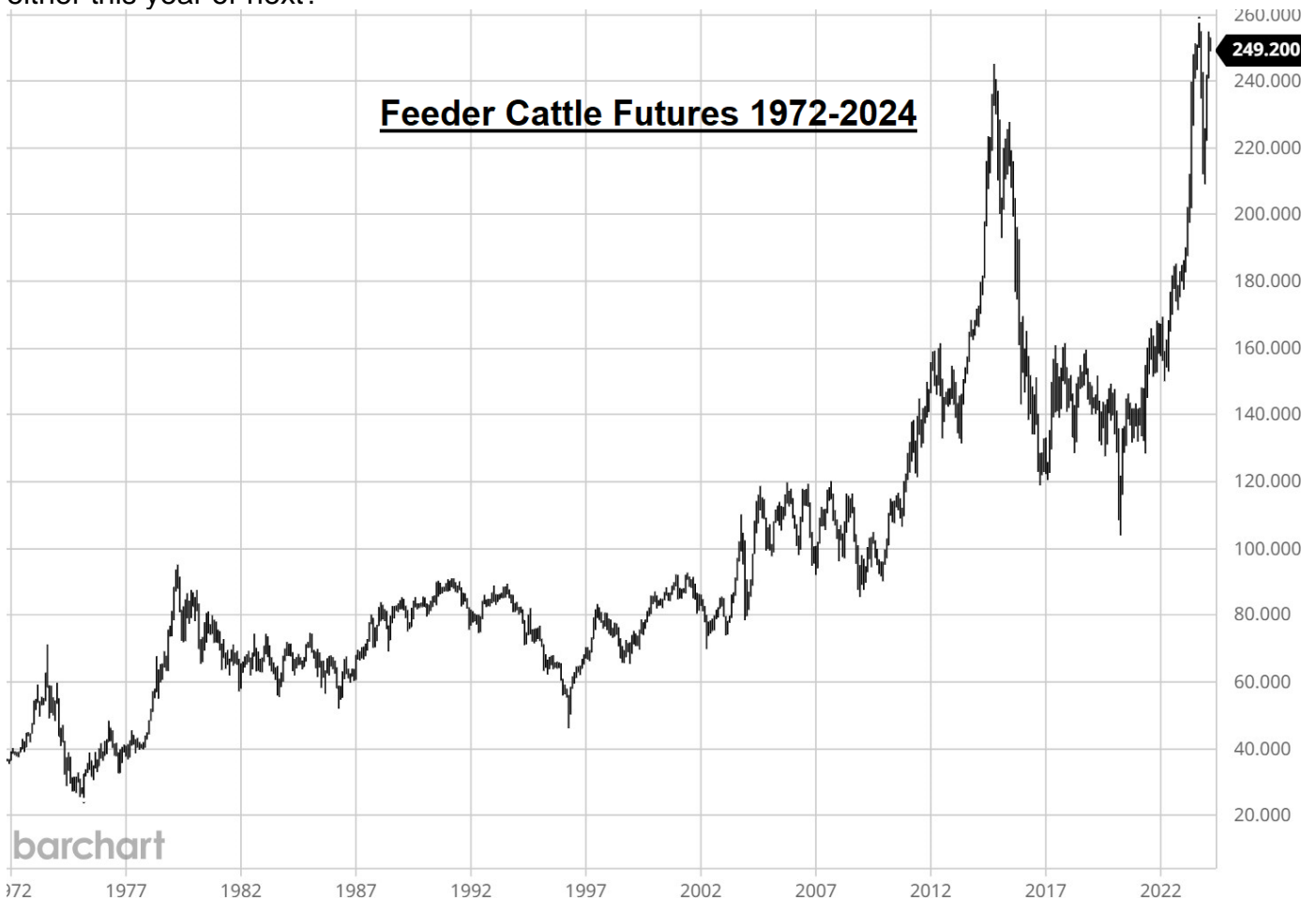
Bottom line, in the past 47 elections since 1833, the US S&P 500 stock market index has gained on average about 6.5% during a Presidential election year. So, while history is a guide not a guarantee, we could see decent gains again in 2024. For commodity market insights and financial strategies, connect with me now at 204-982-0011 or commodity-options.ca.

## Cattle futures near historical highs – March 11, 2024

The recent article “Smallest cattle herd since 1952” in the Canadian Cattlemen caught my eye because, well, 1952 was a long time ago. And anything with that kind of timeline deserves our attention.

The article starts by saying, “One has to go back 72 years to find a smaller U.S. cattle herd than what USDA reported at the end of January. Its annual cattle inventory report revealed a fifth year of U.S. herd liquidation in 2023.”

It goes on to note that, “the five years of liquidation were caused by numerous factors ranging from widespread drought to soaring input costs, especially the high cost of borrowing money to buy heifers for herd rebuilding. The big question now is: what will it take for rebuilding to start either this year or next?”



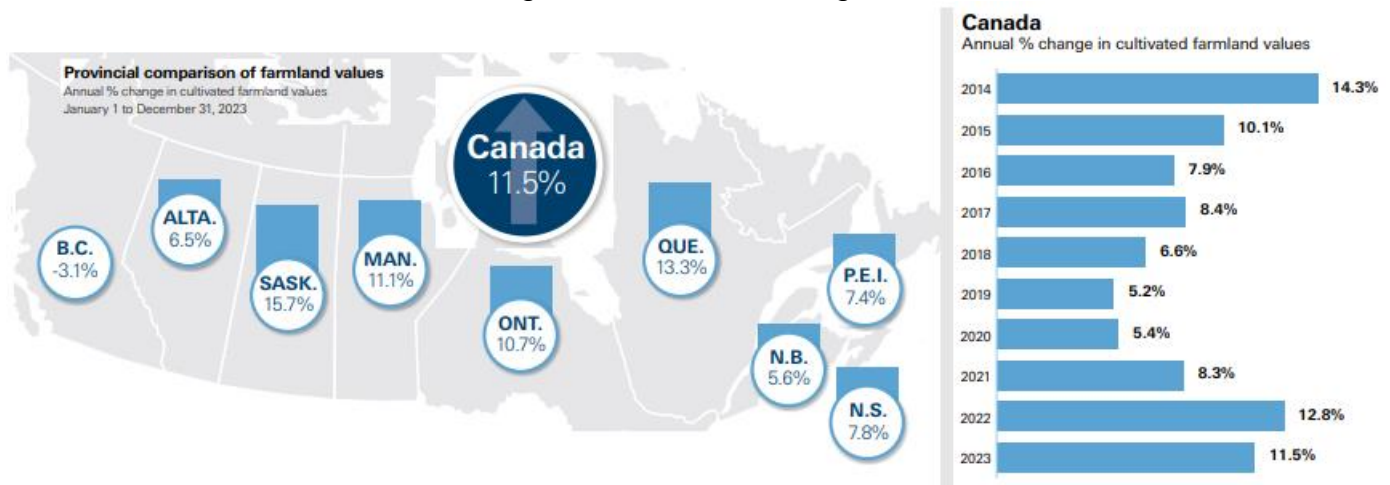
Bottom line, with cattle futures back near their highs, there's tremendous value in cost effective options strategies that build more flexibility and adaptability into your cattle revenue management plans. For cattle market insights and hedging strategies, connect with me now at 204-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## Keep on Truckin' – March 18, 2024

Farmland values in Canada had another impressive increase last year. According to the latest Farm Credit Canada Farmland Values report, “the average value of cultivated Canadian farmland

increased by 11.5% in 2023. The highest average provincial increases in farmland values were in Saskatchewan at 16%, Quebec 13% and Manitoba 11%."

"Demand for irrigated land was robust, and average values also continued to increase. The greatest average increase occurred in Manitoba at 18%, followed by Alberta at 12%. With many parts of the prairies experiencing dry conditions throughout the 2023 growing season, producers continue to seek land that can be irrigated to alleviate drought and other water issues."



Source: [FCC 2023 Farmland Values Report](#)

"The most significant increase in pastureland values occurred in Manitoba, with an average increase of 19%. Saskatchewan recorded 13%, followed by Alberta at 10%"

Bottom line, 2023 saw another year of double-digit farmland gains on average across Canada. What's even more interesting is that this happened despite two years of interest rate hikes that has taken the Canadian prime rate from 2.45% to 7.2%. For market analysis and financial management strategies, connect with me now at 204-982-0011 or [commodity-options.ca](http://commodity-options.ca).

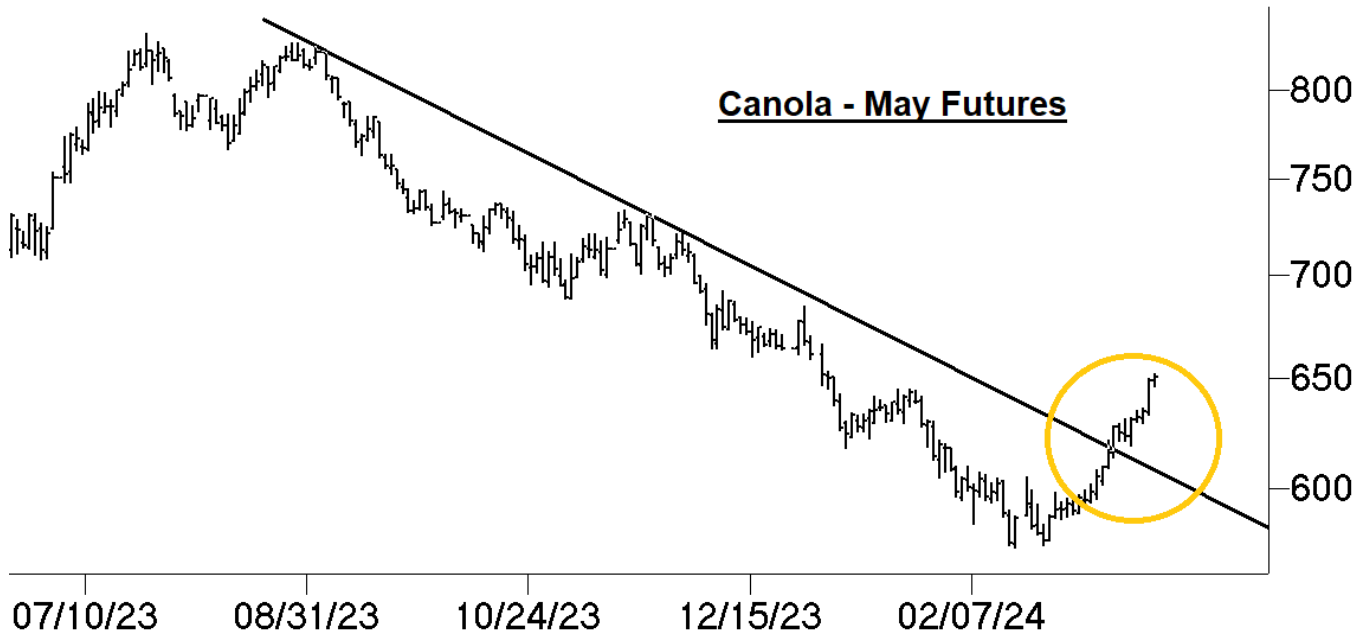
### **Lack of Commitment – March 25, 2024**

What have large investment and hedge funds been doing in the grain markets lately?

The weekly Commitment of Traders report released by the US Commodity Futures Trading Commission gives a snapshot into what all the grain elevators, food processors, farmers, fund managers and individual investors are doing in the markets. Over the past couple of months, the Commitment of Traders report has received a lot of attention because of the record short positions investment funds have had in some agriculture markets, especially canola.

Recently, however, short or bearish canola positions held by these investment managers have shrunk. While funds haven't turned bullish yet, it is a change in the bearish sentiment.

Short positions held by fund managers were reduced also in corn, soybeans and soybean oil markets as well. In the wheat markets, however, the situation hasn't changed where the dominant bearish tone still prevails.



Bottom line, the weekly commitment of traders' reports is just one of many data points but it could be signaling a changing tide in the sea of agriculture. For in depth market analysis and farm hedging strategies, connect with me now at 204-982-0011 or [commodity-options.ca](http://commodity-options.ca).



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