

# 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.

***"Whenever the Fed hits the brakes, someone goes through the windshield. You just never know who it's going to be."***

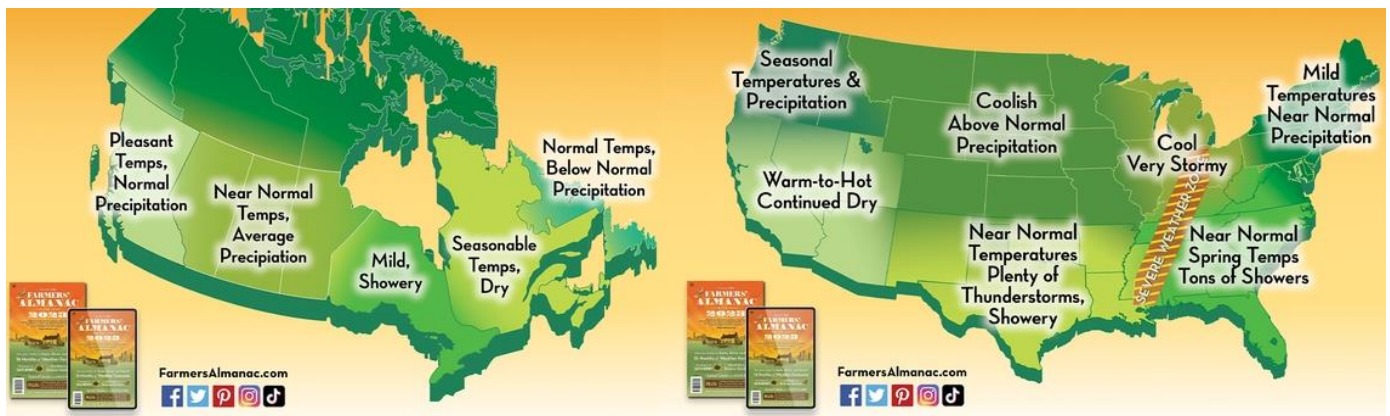
*Wall Street Anecdote as it relates to the US regional bank crisis today*

## Mother Nature Part 2 - May 1, 2023

Last week we looked closer at the prevailing drought conditions across the Canadian Prairies and Northern US states. This week we'll see what spring weather forecasts could mean for the crop growing regions.

According to the Farmers' Almanac long-range outlook, warm temperatures will take their time arriving across much of the North American growing regions. As we've already seen, this is causing delays in many areas. In Canada, overall, though, spring should see near-normal temperatures with average precipitation.

In the US, the area from North & South Dakota down into Kansas should be coolish with above normal precipitation. Meanwhile, further south in Oklahoma and Texas, they are calling for near normal temperatures and showery with plenty of thunderstorms.



Finally, El Nino has been getting a lot of attention lately as the chances of this warmer global weather pattern increase.

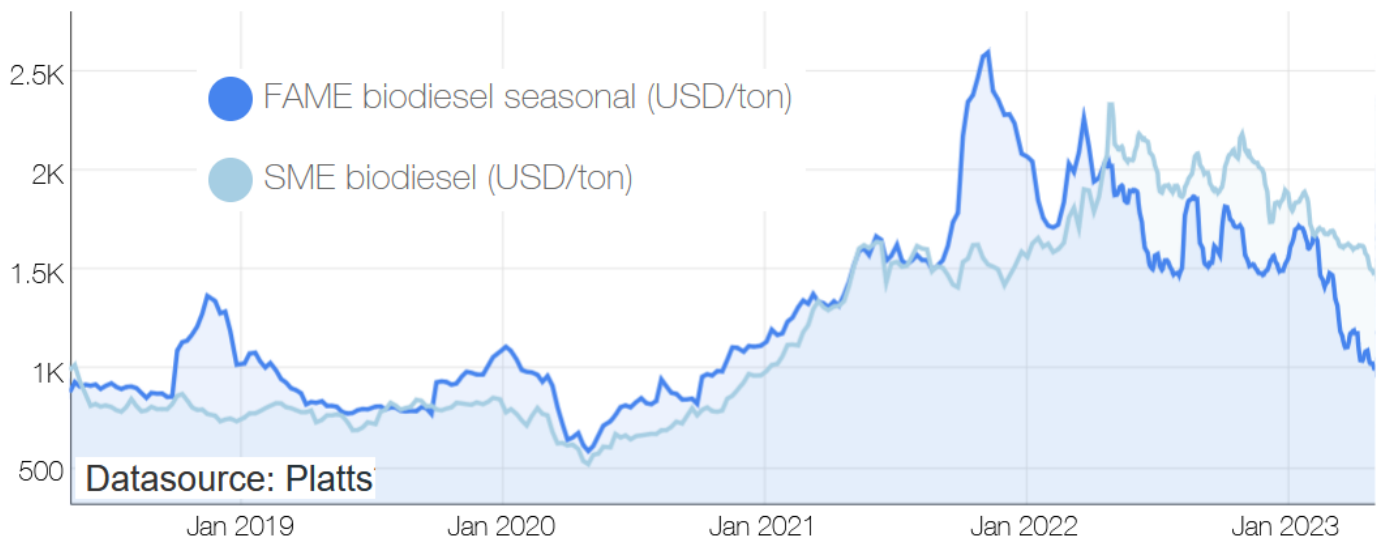
Bottom line, weather can change either for better or worse in a hurry. Use options & futures hedging strategies to plant enough flexibility into your marketing plan so you can deal with whatever Mother Nature brings your way. Connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca) to finetune your marketing plan.

## **Food & Fuel - May 8, 2023**

As canola & soybean oil are being used more and more as a fuel source, it pays to track those energy prices. In fact, canola oil now accounts for almost 17% of total vegetable oil use in the US biofuel sector, while soybean oil accounts for about half the feedstock used to produce biodiesel.

Unfortunately, global biodiesel prices have fallen around 40% since their highs a year ago. Likewise, crude oil has been trending lower during that time, and diesel futures have just recently broken down through a major price support level that had held for the past 12 months. In general, fuel prices have been weakening, not a supportive factor for oilseed prices around the world.

Bottom line, financial gravity is pulling a lot of commodity prices lower. Biodiesel is just another price chart to keep an eye on as we track the direction of canola & soybean prices. To manage your crop revenues with option & futures hedging tools, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).



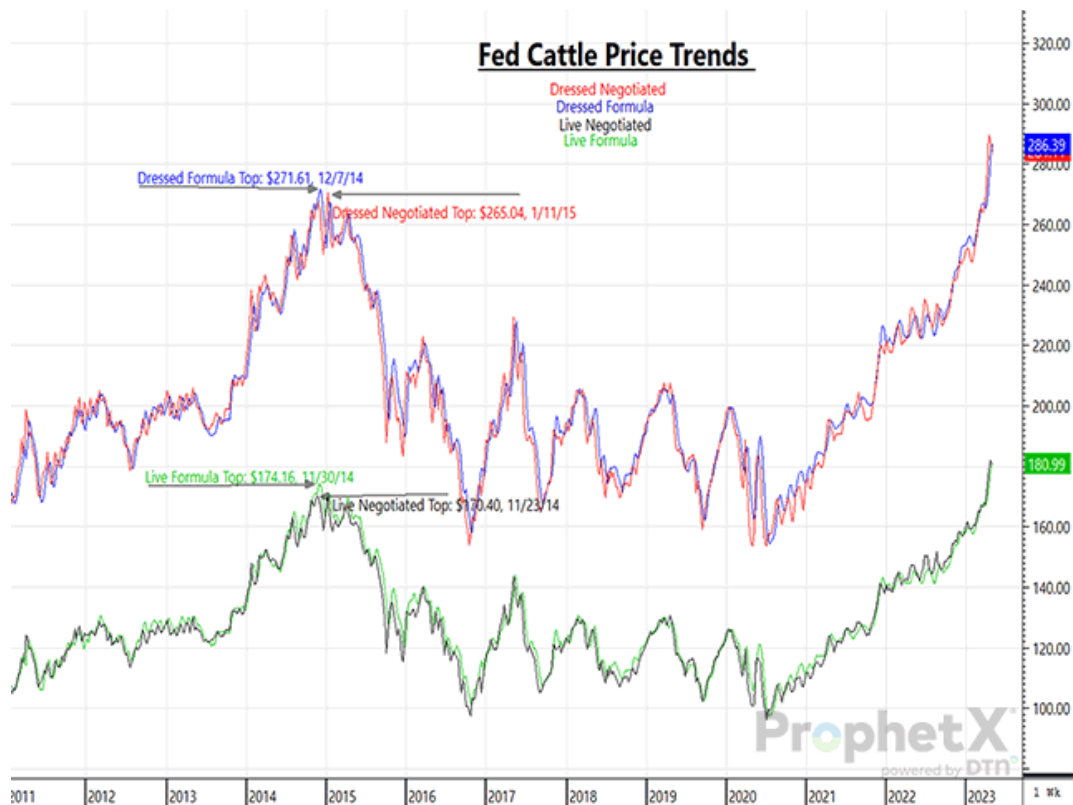
## **Cattle Prices: Progressing or Peaking - May 15, 2023**

Cattle prices are reaching highs previously seen back in 2014. So where do they go from here?

The cattle market has been getting a lot of attention lately with prices up 80% since their lows three years ago. Some are expecting the trend to continue moving higher, with others saying it's near the peak.

So what is recent price behavior telling us? Both near term and deferred live cattle futures have been going sideways for the past month and a half. Feeder cattle futures, meanwhile, have still been trending higher, for now.

Historically, after a commodity has a sharp move higher, prices tend to drift lower. Fortunately, cattle option premiums remain low, giving you an opportunity to hedge these excellent prices with relatively cheap put option strategies.



Bottom line, the trend is your friend but be ready to act. Use flexible feeder and live cattle futures & option hedging strategies to get the downside protection you need, and the upside potential you want so you can sleep better at night. To help manage your cattle margins & revenues, connect with me at 844-982-0011 or commodity-options.ca.

### **Grain Price Peak: One Year Later - May 22, 2023**

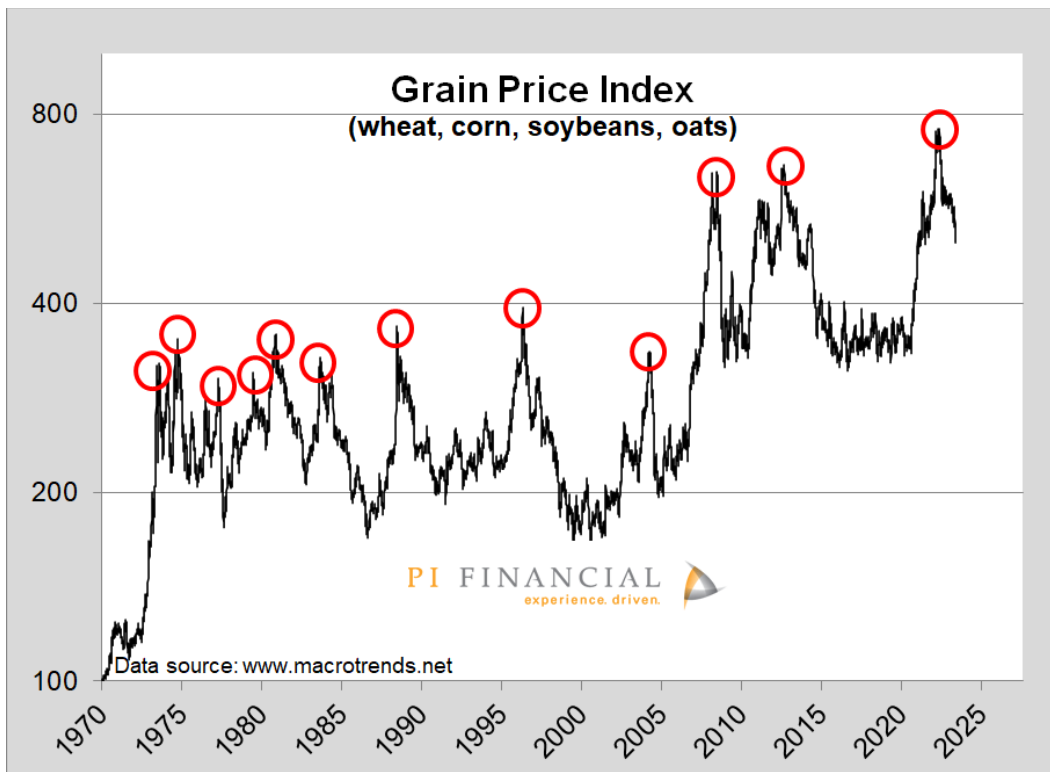
It's been about a year since the top in grain futures following the Russian invasion of Ukraine. More importantly, where will they go from here?

May last year marked the highs in grain markets after the build up and chaos of the Russian invasion. Since then the US grain futures complex is down on average about 40%, with

- wheat down 40%
- canola down 40%
- corn down 30%
- soybeans down 25%
- oats down 60%

Meanwhile, crude oil, an important influencer on grain prices, is down about 40% as well. Fertilizer prices in general are down 40% since last year too.

Could grain prices fall another 20% or 30% back to where they were before the Russian invasion in 2022, before the droughts throughout North America in 2021 and before COVID in 2020? When it comes to the markets, never say never, expect the unexpected and be prepared for whatever they throw your way.



Bottom line, a trend in motion tends to stay in that same motion and financial gravity continues to pull down grain prices. To manage crop marketing risks & opportunities with option & futures hedging tools, connect with me at 204-982-0011 or commodity-options.ca.

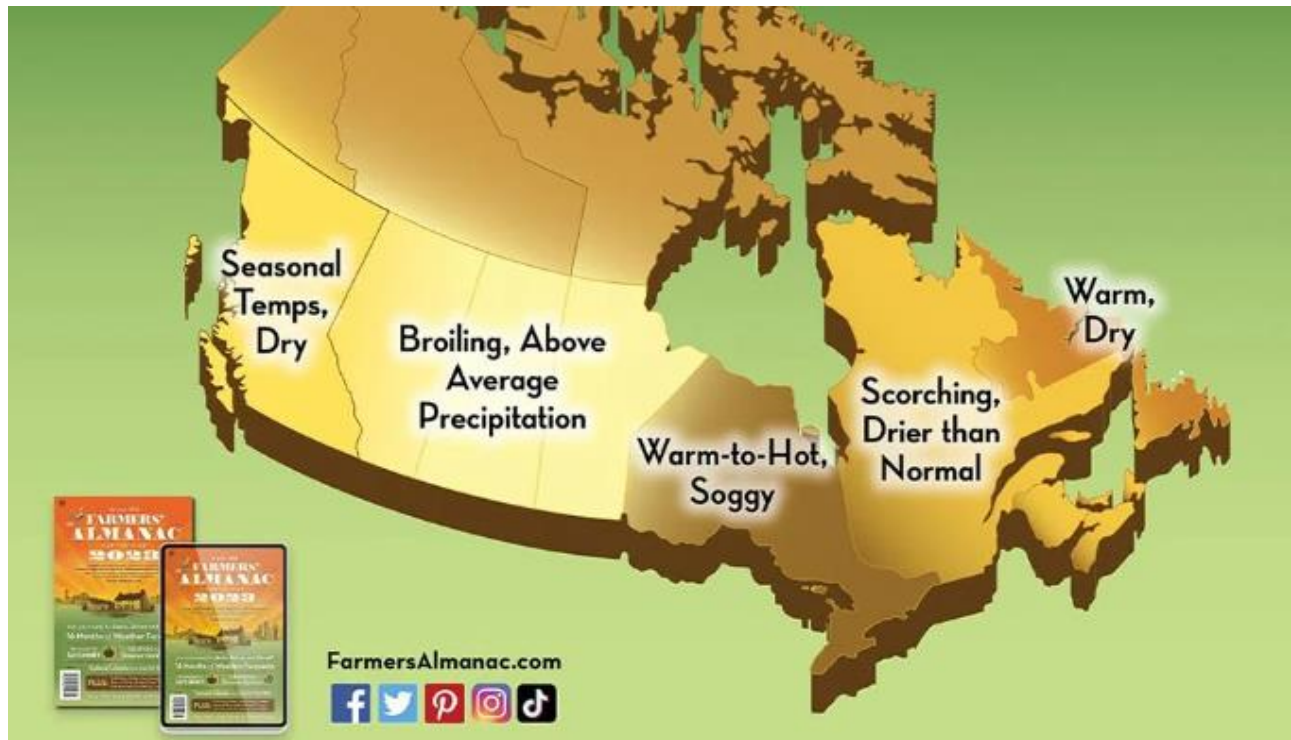
### **Farmers' Almanac Summer Weather Forecast – May 29, 2023**

The Farmers' Almanac forecasts a warmer-than-normal summer for most of the US with a long, hot summer and unrelenting heat hanging on from June through September. Even regions in the north will see very warm temperatures. Summer storms and rainfall are predicted to be plentiful in the Central States and South Central regions of the US.





In Canada, the Farmers' Almanac is calling for a warmer than normal summer for most of the country. Rainfall will be above normal over Central Canada. Overall, they're saying it will be broiling, with above average precipitation.



And then El Nino has been getting a lot of attention lately. The National Oceanic and Atmospheric Administration (NOAA) says that there's a 90% chance that we'll see El Nino-related weather by the summer. Interestingly, there's been 17 El Nino summers since 1970 and 14 of them, or 82%, had above trendline average yields for the corn belt.

Bottom line, weather concerns and conditions have not been supporting prices, but rather pushing them lower. The longer-term trend has been drifting lower for about a year so use options & futures to manage the ups & downs of weather and commodity prices. Connect with me at 204-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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