

# MARKET WATCH

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

Connect at [www.Commodity-Options.ca](http://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.

*"If I had five minutes to chop down a tree,  
I would spend the first three minutes sharpening my axe."  
-Abraham Lincoln*

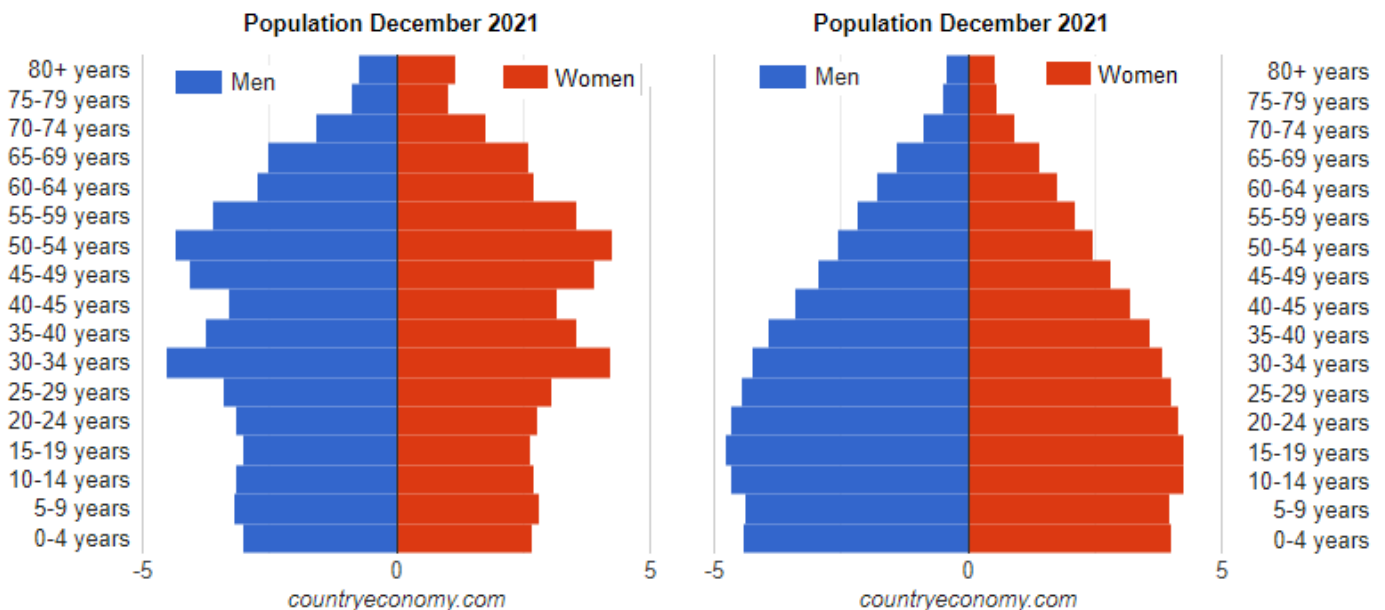
## China vs. India – February 6, 2023

China vs. India, which will be the powerhouse country of the future? Over the years we've often heard the debate between whether China or India will become the dominant country economically and geopolitically.

From a population point of view, they both have about 1.43 billion people but India has more favorable demographics with a much younger population. Also, India's population has been growing between 1%-2% per year in the last 20 years while China has been flat.

China: Population pyramid

India: Population pyramid



On the economic front, China's \$13.4 trillion economic output ranks second behind the USA's \$20.5 trillion. Meanwhile, India is 7th place with only \$2.7 trillion.

Financially, the Chinese renminbi currency has fallen about 8% in the prior 10 years compared to the US dollar while the Indian rupee dropped 35%. However, when it comes to equity investment, China's stock market is basically unchanged in the past 10 years while India's has grown by about 4% annually.



Bottom line, both countries have relative strengths and weaknesses so we'll see which country progresses the most in the next few decades. For investment management and financial planning strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

### **Take your grain marketing to the next level – February 13, 2023**

Did you know there are periods of time when canola or wheat basis levels can move more than the underlying futures contracts? There are also certain times when options are really cheap or really expensive. A lot of farmers track the local physical cash markets closely but don't really understand futures and basis levels. Likewise, some have been trading futures for years, but are missing out on the advantages of options.

Knowing all this can help you determine which marketing & hedging strategies to use and when to finetune your farm revenue plan and take it to the next level.

Bottom line, whether you're...

- a beginner needing to learn more,
- at the intermediate level wanting additional tools in your marketing toolbox, or
- a seasoned veteran that uses options & futures regularly

...there's always room to learn something new.

Join us in Lethbridge February 27th & 28th for a special 2-day hedging session brought to you by the Alberta Wheat Commission. To find out more, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## China + Rapeseed = Canola? – February 20, 2023

China has been getting a lot of news over the past few months given their canola purchases from Canada. But do the numbers add up?

Overall, China has been the number one buyer of Canadian grain & oilseed exports for the first five months of the 2022-23 marketing year. Based on Canadian Grain Commission reports, China represents about 1/3 of total movement. Our canola sales to China account for around half of the total, with two significant purchases of nearly 500,000 tonnes both in November and December.

That's a lot of demand from one country, but do domestic Chinese rapeseed oil futures prices suggest a different story? Despite some big import numbers from Canada, China rapeseed prices are not indicating a lack of domestic supply. Their prices have weakened over the past few months, and if support doesn't hold at these important price levels, it's a long way down. What could that mean for our canola exports to China and our canola prices?



Bottom line, it's never too early to think about new crop marketing, especially when prices for most crops including canola, soybeans, corn and wheat are still at some good levels. Connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## If Venice is sinking... - February 27, 2023

It is often said that Venice is sinking, or is it? Venice has battled rising water levels since the fifth century, but today, Italian rivers and lakes are suffering from severe lack of water.

The area surrounding the Po River, Italy's longest river accounting for roughly a third of agricultural production, has 60% less water than normal at this time of year, having suffered its worst drought in 70 years last year.

Canada is typically the top exporter of durum wheat while Italy is the world's third biggest importer. In fact, Italy accounts for almost 20% of Canadian durum exports. At the same time, Canada's durum ending stocks are the lowest since the 1984 crop year.

**Italy, Foggia - Price  
Durum Wheat - mercantile**  
CCIAA Foggia



Bottom line, for now, financial gravity is exerting a strong downward pressure on grain prices. Despite the drought condition in the agriculture growing region of Italy, durum prices in Italy and around the world are still drifting lower so keep an extra close eye on cash bids as we go forward this crop year. For market analysis and hedging strategies, Connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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