

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.

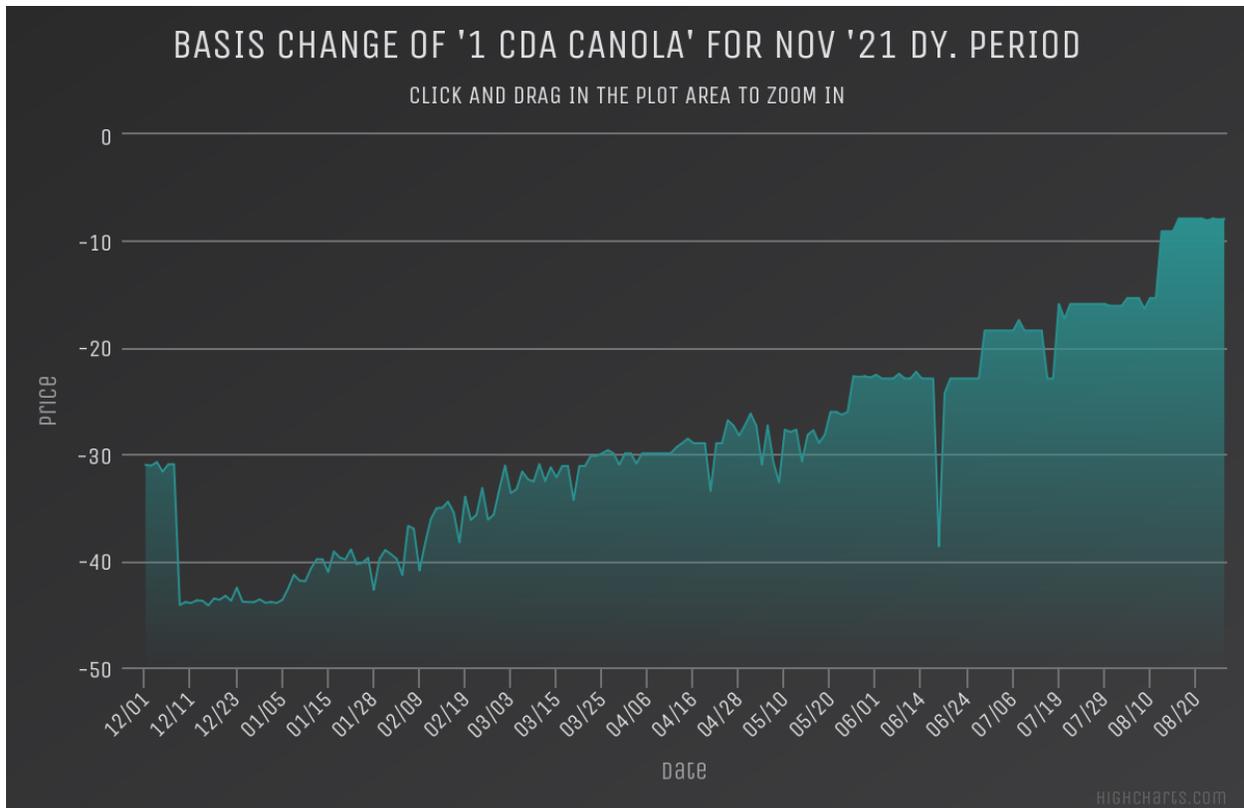
"You've got old traders. You've got bold traders. But it's rare to find an old, bold trader."
-old trading adage

Canola Spreads Still Supportive – September 6, 2021

Last month I looked at both wheat and soybean basis. This month we'll start off with a review canola basis levels.

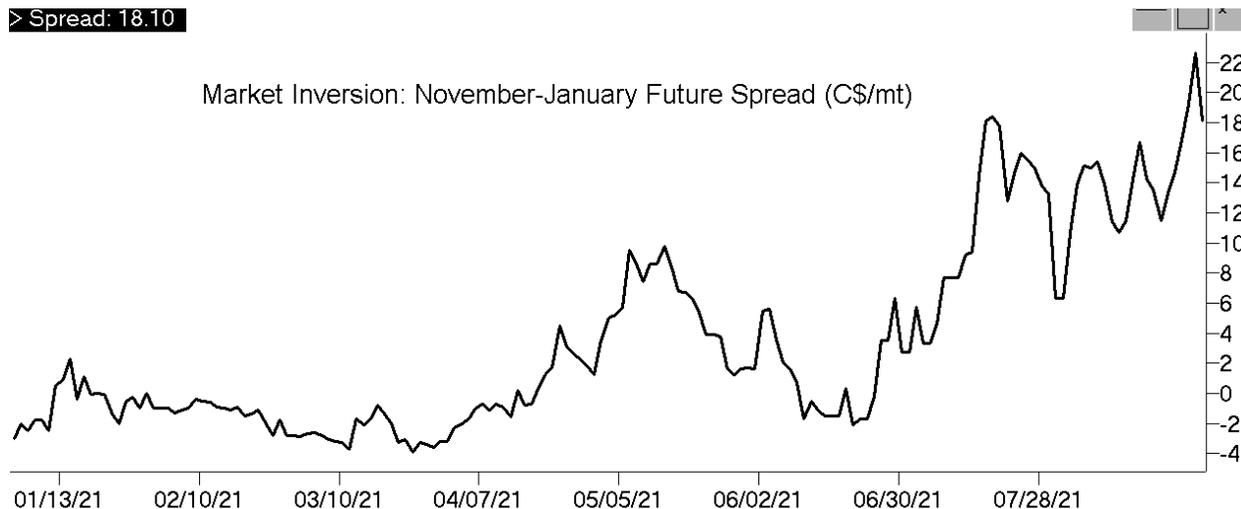
Basis levels give some insights in to how aggressive local buyers are for your grain. In general, canola basis levels have been steadily climbing since the beginning of the year along with canola futures prices. So far this year, November futures have increased from \$550/mt to \$900/mt today, basis levels have improved by at least \$30/mt or more if there are strong cash bids from local elevators or crush plants.

New Crop Canola Basis



Going forward, canola market dynamics are still favourable. While both futures and basis levels are still increasing, the futures curve is also inverted with the nearby November contract trading at a \$20 premium over the deferred January contract. This means that buyers want the canola now or as soon as possible instead of waiting.

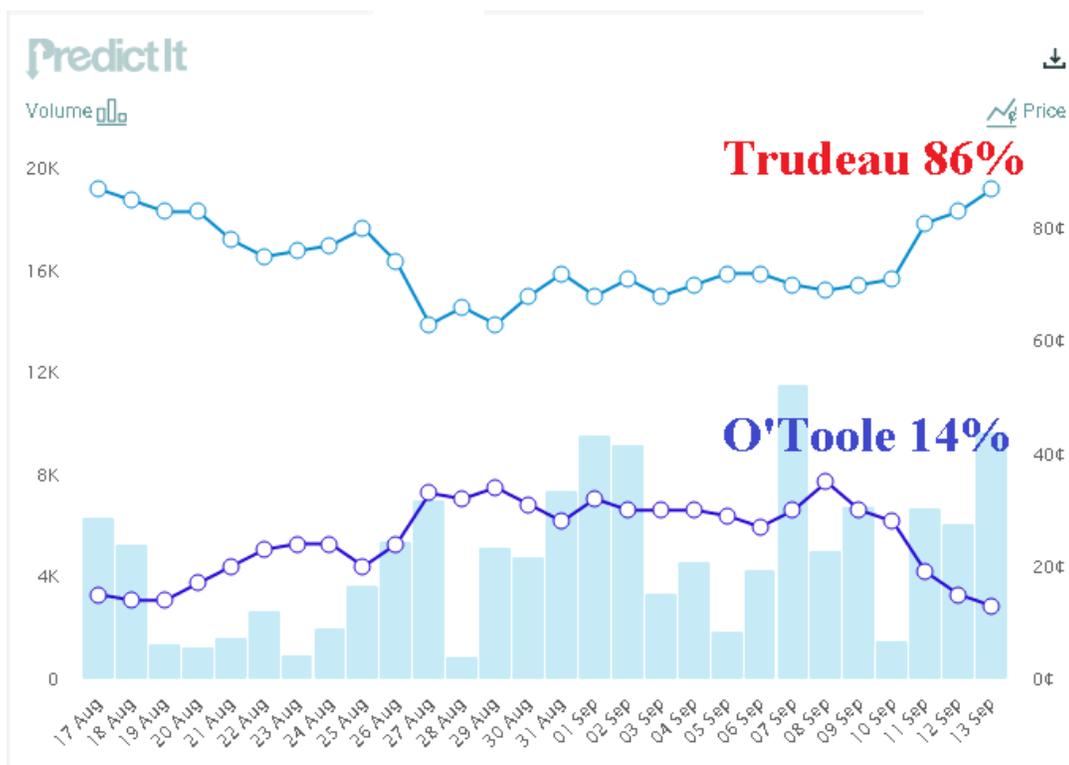
> Spread: 18.10



Bottom line, it's important to track futures spreads as well as local cash basis levels to get a sense of market conditions going forward. For commodity market insights and farm hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

Who will be the next Prime Minister of Canada? – September 13, 2021

With the Canadian federal election next week, what are the real money online trading and prediction sites indicating?



While various political voter polls show the Conservatives and Erin O'Toole at 33%, Justin Trudeau with his Liberals at 31% and Jagmeet Singh's NDP at 19%, the online trading and prediction site, predictit.org, shows Trudeau has a 86% chance of staying Prime Minister. Erin O'Toole has only about a 14% chance of becoming the new Prime Minister.

Regardless of who wins, will there be any impact on our economy, stock market or the Canadian dollar? Likely not, since Canada is heavily affected by the global economy. However, one area that could be impacted are large financial institutions. Trudeau wants to increase the corporate tax rate on profits above \$1 billion from 15% to 18% for large banks and insurance companies.

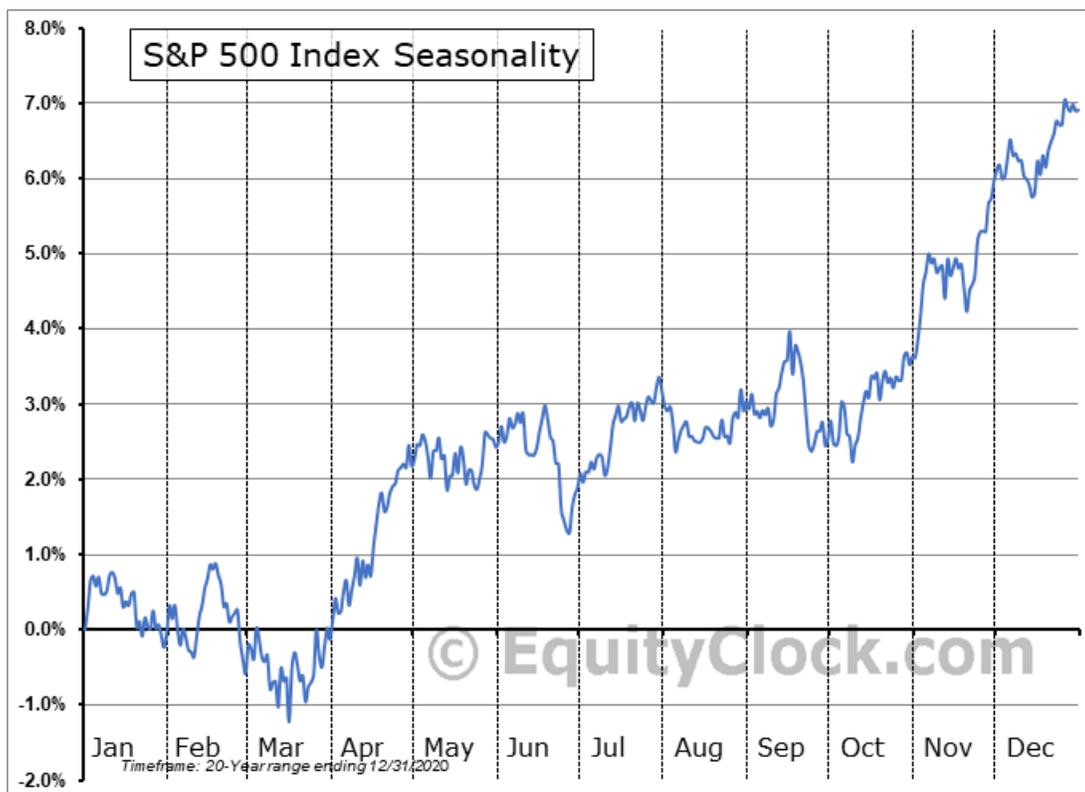
So far, though, big financial stocks are off only about 2% from their recent highs compared to the overall Toronto stock exchange index.

Bottom line, it looks like political and economic status quo for Canada following next week's election. For stock market insights and investment management strategies, connect with me at 844-982-0011 or commodity-options.ca.

Stock Market Seasonal Patterns – September 20, 2021

Typically, the spring and summer months are a time of sideways trading activity in the markets but this year they've kept grinding higher. So far this year, North American and European stock market indices are up about 18%. At the same time, holdings of preferred shares have generated a return of around 20% while higher yield corporate bonds have yielded over 5%.

Meanwhile, a broad basket of commodities are up 30%. However, gold and silver assets are down approximately 10%.



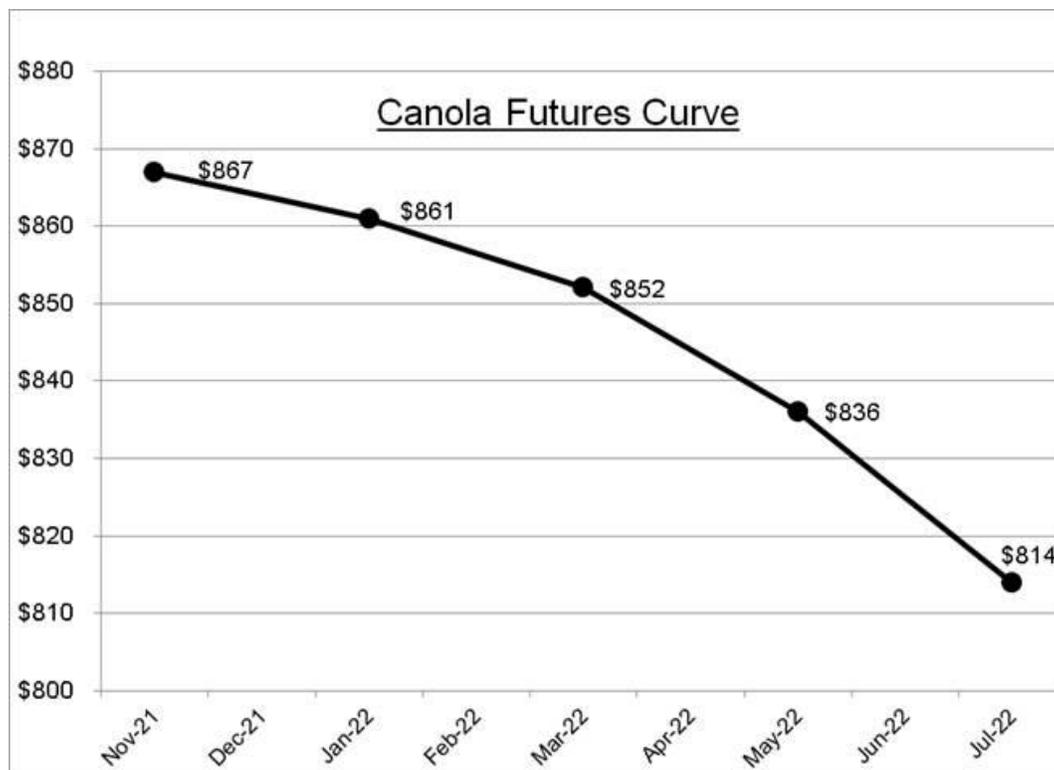
Historically, fall and winter are a strong period of time for stock markets. Let's see if this general strength in the markets continues into the fall given it is typically a positive time of the year as they enter the seasonally strongest period from October to April.

Bottom line, every year will be different and some sectors or asset classes that led in the past could be at the bottom with negative returns going forward. To structure a diversified investment portfolio for your TFSA, RRSP or a corporate investment account, connect with me at 844-982-0011 or commodity-options.ca.

What's the best canola marketing strategy? – September 27, 2021

Cash canola prices are still near \$20/bushel but have been moving sideways lately. What's the best marketing approach as we finish up harvest?

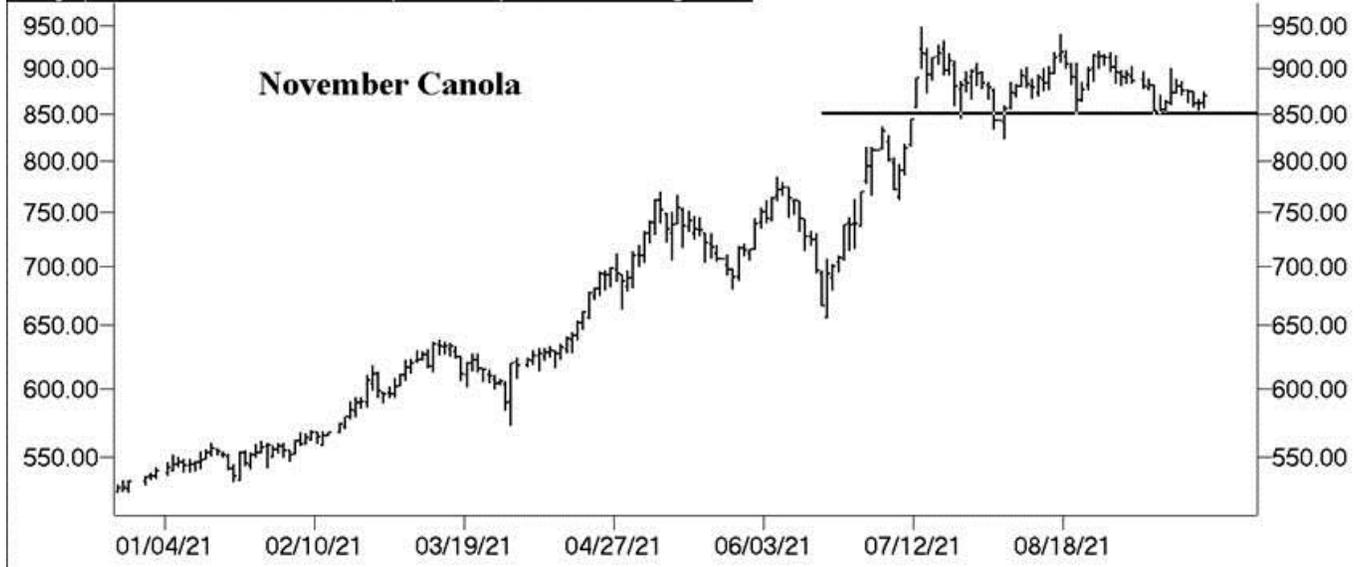
With canola harvest progressing across the Prairies, global market dynamics are making for an interesting pricing environment. Canadian canola futures are heavily inverted; November futures are trading at a \$53/mt premium over deferred July delivery. Canola basis levels have been strong too. French rapeseed and Malaysian palm oil futures are trading at a steep inverse as well.



However, soy futures curves (beans, oil & meal) are basically flat going out for the next ten months so not as bullish as other oilseeds.

At the same time, November canola futures are at a key support level of \$850/mt based on the past two months trading activity. A break out of this sideways pattern will help determine the next direction for canola prices.

Daily > RS/X1-WC RAPESEED (CANOLA) C: 869.30 Chg 8.70



Bottom line, the market wants your canola now and is not paying you to store it but canola is still trending higher. What's the best pricing strategy under these circumstances? Connect with me at 844-982-0011 or commodity-options.ca to find out about all your marketing options.

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