

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 is even better to act quickly and err,
than to hesitate until the time of action is past."
-Karl von Clausewitz, Prussian General & Military Strategist*

It'll come back... – April 1, 2024

It is often said that if you hold on to your losing stock market positioning long enough, it'll come back. Well, that's not always the case, and sometimes it can take a lot longer than you expect.

Think back to the Japanese economic, real estate and stock market bubble of the late 1980s. Their Nikkei stock index of the largest 225 Japanese companies peaked at 39,000 in December 1989, ultimately dropping all the way to under 8,000 in 2009 and then finally just reaching 39,000 again in February 2024. That's over 34 years, that's a long time to wait.



By comparison, it took 25 years for the US stock market to recover following the 1929 crash and Depression, 15 years for the US NASDAQ Index after the 1990s tech bubble, and around 7 years for the US S&P 500 index to rebound from the mortgage & real estate collapse in 2000.

Bottom line, stocks are typically a good long-term investment but sometimes a company, a sector or even a whole country can go into a big slump if the underlying economic fundamentals aren't supportive of higher prices. For investment management and financial strategies, connect with me now at 204-982-0011 or commodity-options.ca.

Never say never... – April 8, 2024

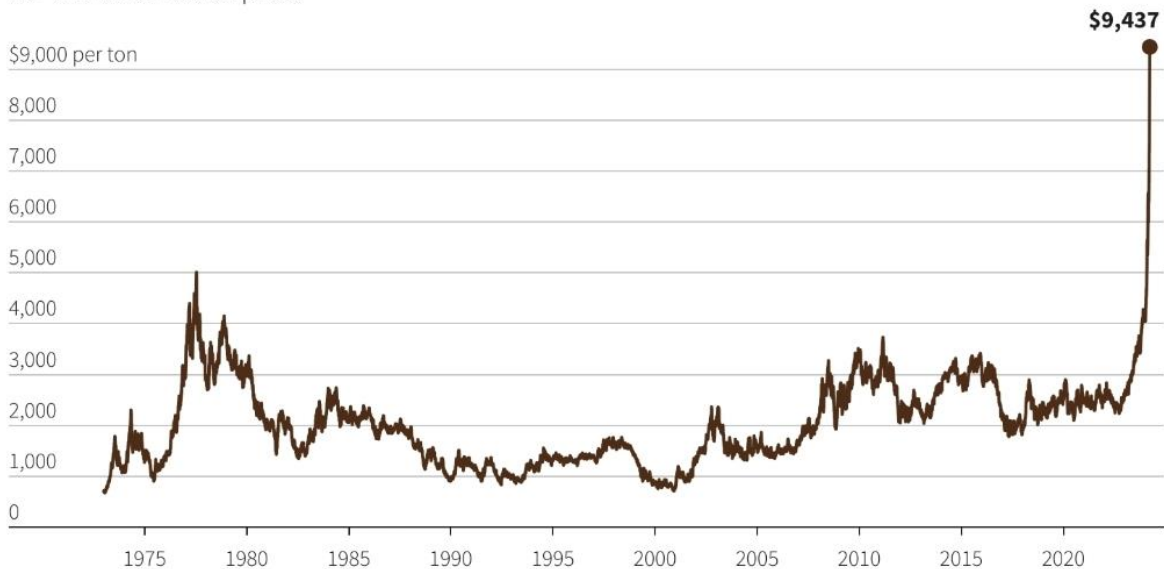
Along with previous examples like negative -\$40/barrel crude oil, canola at \$1200 per ton, or bitcoin hitting US\$70k, for a second time, cocoa is another one for the category of never say never.

Records are meant to be broken and cocoa is just the latest example. Ivory Coast cocoa production, which accounts for nearly half the world's cocoa, has been hit with a severe disease that is estimated to have infected 30% of their cocoa plantations. The International Cocoa Organisation expects this could reduce global cocoa production by 11%.

Furthermore, it can take between two and four years for replanted trees to mature and produce beans. As a result, cocoa futures recently hit an all-time high record of over US\$10,000 per ton, the previous high was only around US\$4000.

Cocoa prices hit new record high

ICE-U.S. cocoa futures prices



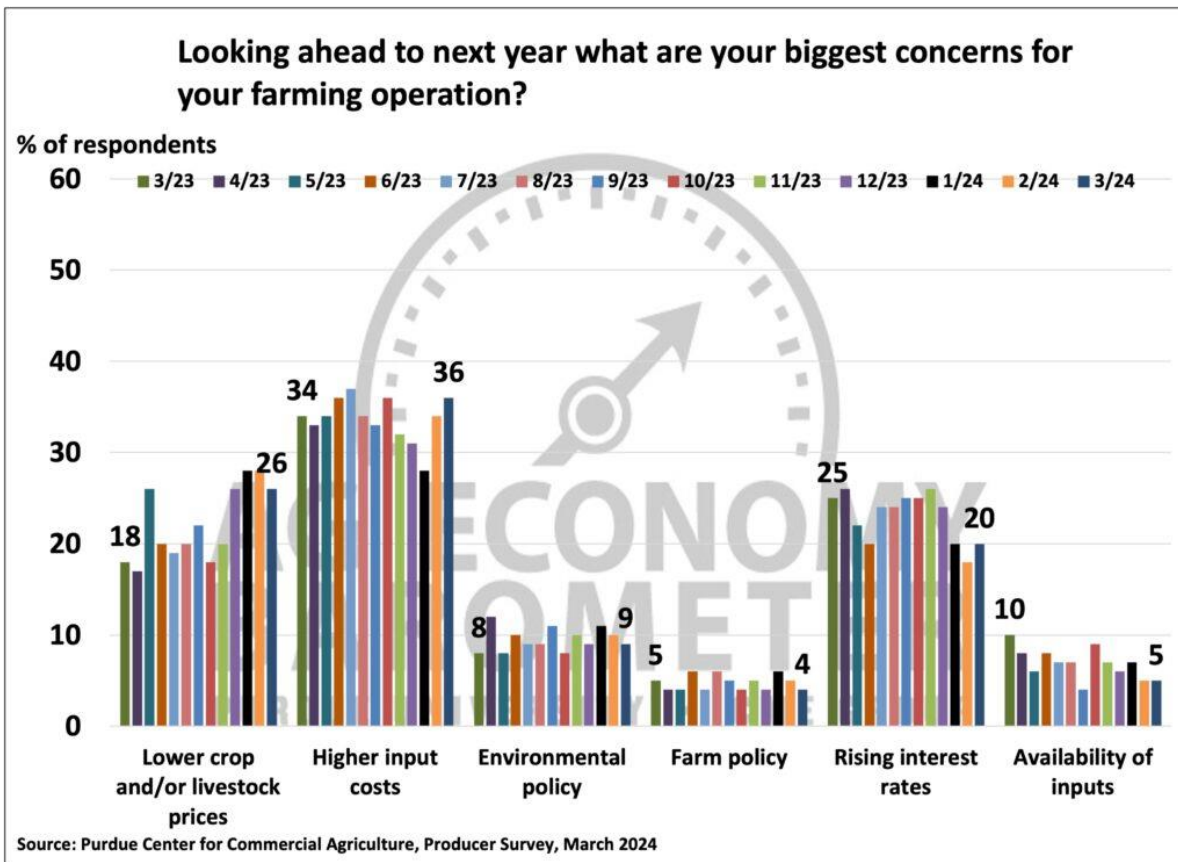
Source: Reuters

Bottom line, as is typical in commodity markets after a massive price increase, cocoa could now also become an example of another famous market saying that “the cure for high prices is... high prices” since it will incentivize increased plantings in other regions, like Latin America. For market insights and financial strategies, connect with me now at 204-982-0011 or commodity-options.ca.

What's on your mind??– April 15, 2024

Whether its lower revenues, higher input costs or rising interest rates, or fluctuating currencies, market price risks account for over 80% of the top concerns for farm businesses. In the latest Purdue University CME Group Ag Barometer report, they surveyed farmers and asked them: “Looking ahead to next year, what are the biggest concerns for your farming operation?”

The number one response was ‘higher input costs’ at 36% of respondents, followed by ‘lower crop and/or livestock prices’ at 26% and then ‘rising interest rates’ 20%.



Combined, these top three account for over 80% of responses and are all subject to price fluctuations and market uncertainty. Perhaps the most significant of them all is lower crop and livestock prices since these are your 100 cents on the dollar, top line revenues. Even a small change on top line revenue will have a major impact on your bottom line profit.

So, as we start to market new crop grain and sell cattle throughout 2024, why wouldn't you want to access the whole range of marketing tools available to you? For commodity market insights and farm hedging strategies, connect with me now at 204-982-0011 or commodity-options.ca.

The Trading Floor – April 22, 2024

Interested in unique grain industry insights? Want to stay top of the markets?

I started in the commodity trading business over 25 years ago on the floor of the Winnipeg Commodity Exchange. Back then the trading floor was located in downtown Winnipeg at the corner of Portage & Main, what was once, over a century ago, the very heart of the North American grain trading industry.

When I was on the floor, we traded feed barley, feed wheat, oats, flax feed peas and, of course, canola, which is the only contract still actively traded today. And today, just like everything else, trading is all online and so too is the Trading Floor. The Trading Floor was launched by FARMCo as an online community to help farmers gain a deeper understanding of how the grain markets work and provide tools & techniques to get the most out of your farm marketing.



With content from industry specialists, traders & farmers, you can learn, share and collaborate, all in the interest of improving your bottom line. To gain access to commodity market resources and farm hedging strategies, [visit The Trading Floor](#) or connect with me at 204-982-0011 or [commodity-options.ca](#).

Top 5 Hedging Best Practices– April 29, 2024

C.R.O.P. HEDGING PROGRAM **TOP 5 HEDGING BEST PRACTICES - 2024**



Want to get more out of your grain marketing?

A commodity options & futures account can help you achieve more in the markets. And here are five top hedging practices to get the most out of your hedging account:

- Keep me up to date on physical sales, inventories, seeding plans and expected production so hedging strategies fit properly within your overall marketing plan.
- As you're planning sales over the crop marketing year, connect with me to see how options/futures strategies can help enhance your selling decisions.
- Remember, hedging strategies help balance and replace cash sales so you can separate pricing and delivery decisions. Your hedge account works in conjunction with your physical positions.
- If you're working with a cash grain advisor or marketing coach, let's all connect so we can get on the same page and put our heads together for you.
- Stay in touch and feel free to check if positions need to be adjusted, new hedge positions added or simply to update physical sales & inventory.

Bottom line, if you don't already have a commodity hedging account, what are you waiting for? Connect with me at 204-982-0011 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 Canadian Investment Regulatory Organization.