
MARKET WATCH

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

Connect at 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.

September 12th – Cattle Price Outlook

Cattle futures prices have been trending down since their peak at the beginning of 2015. At the time, it was becoming apparent that prices were near a top. Way too many newspapers, government releases and media outlets were reporting that prices were at all-time highs and that cattle herds were near 60 year lows; a classic sign of a market top!!! That's why I've been helping farm clients hedge against these falling prices in these past two years.

Unfortunately, we can expect a 3 to 5 year period of weaker prices with sideways to downward price trends. That means at least a few more years of weak prices.

And, don't depend on a further weakening of the Canadian dollar to help out since the C\$ has dropped from par to about 75 cents in the past few years.

Bottom Line, be prepared to take advantage of pricing opportunities using cattle options that trade on the Chicago Mercantile Exchange to fully protect your farm revenue.

September 19th – Three Key Farm Alignments

Today we'll look at the big picture of farming compliments of Backswath Management.

Backswath Management, farm business management consultants, likes to focus on three key alignments to provide a solid foundation for a successful farm business.

Business Direction - The first alignment consideration is about strategic business direction. Where will the farm and family be 5 years from now?

Financial Performance - Next, determine if the farm's financial performance can get the business to where everyone wants it to be. There should be a significant degree of alignment between a business vision and a financial vision.

Management Structure - Lastly, manage towards it. What does the management structure of your farm need to look like 5 years from now so that it is aligned with your financial and business vision?

Bottom Line, these three important business success factors deserve your attention this winter and when aligned, can have a positive financial impact on your farm now and in to the future.

September 26th – Canola Production “Guess-timates”

Every August Statscan produces initial canola production estimates and almost every year the numbers are off by a wide margin compared to the final December production figures.

Over the past 10-years, the average canola production estimates in August has been almost 20% lower than actual December production figures!!! In some years, it's been under by 35%!!! In only one of the past 10 years was the estimate been higher than actual. Clearly there seems to be a bias in Statscan numbers underestimating canola production.

Unfortunately, this might encourage false expectations of higher prices that farmers should receive for their canola.

However, the bigger lesson to take away from this is that your marketing strategies and the current market price patterns & trends are more important than Statscan estimates.

Bottom Line, It's not that fundamentals and government reports aren't useful, it's just that your farm break-even & profit figures and market price levels are key to your success. So, become aware of all your farm marketing strategies by connecting with me at 844-982-0011 or commodity-options.ca.

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