

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.

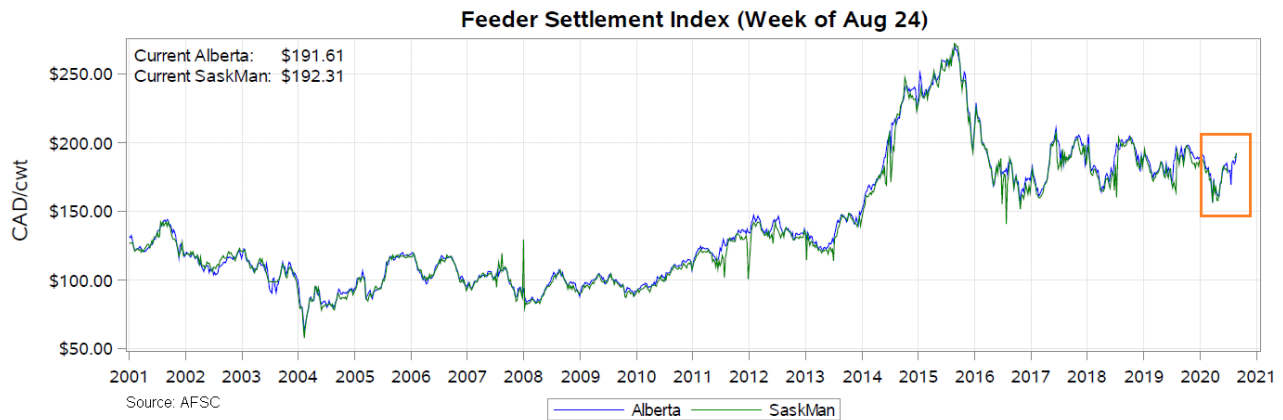
*"Don't judge each day by the harvest you reap but by the seeds that you plant."
- Robert Louis Stevenson*

Commodity Market Update – September 7, 2020

It's now been six months since COVID really started impacting markets. How have markets acted since then?

Overall, many markets are back up to the pre-COVID price levels but it will still take time for economies to return to previous growth levels and for global markets to fully recover.

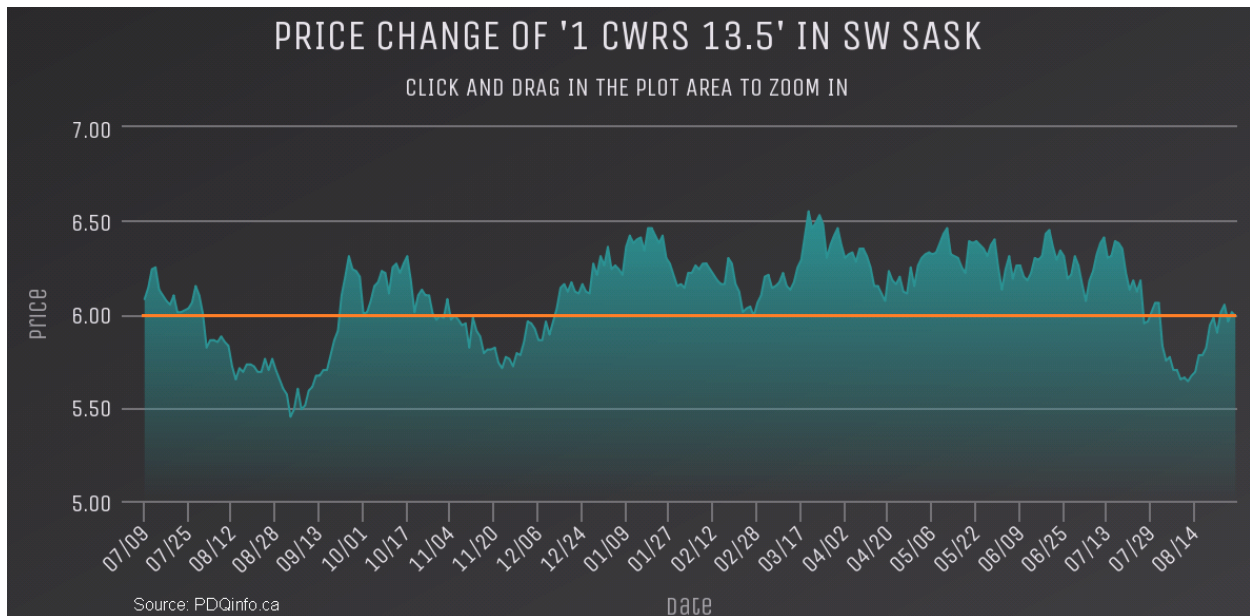
-Feeder cattle prices across the Prairies have moved back up and are near the top end of the range of the past few years. **Full-weight cattle** still has room to go to get back to those levels.:



-Canola futures are back up C\$500/MT, near its highs of the past few years:



-**Hard red spring wheat** cash bids are in the middle of the range of the past year:



-The **Canadian dollar** is back to pre-COVID levels and in the middle of the previous five year range:



Finally, **interest rates and borrowing costs**, of course, remain at extremely low levels and are likely to stay there for a long time.

Bottom line, there has been a significant amount of volatility over the past six months and we will likely have a period of heightened uncertainty still ahead of us. For more market analysis and hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

The US Dollar & US Elections – September 14, 2020

What's the US dollar going to do with the US presidential election coming up in November?

Well, despite the recent weakness and all the talk of a lower greenback going forward, history suggests that the US dollar is likely to rise following the November election, regardless if Trump or Biden wins.

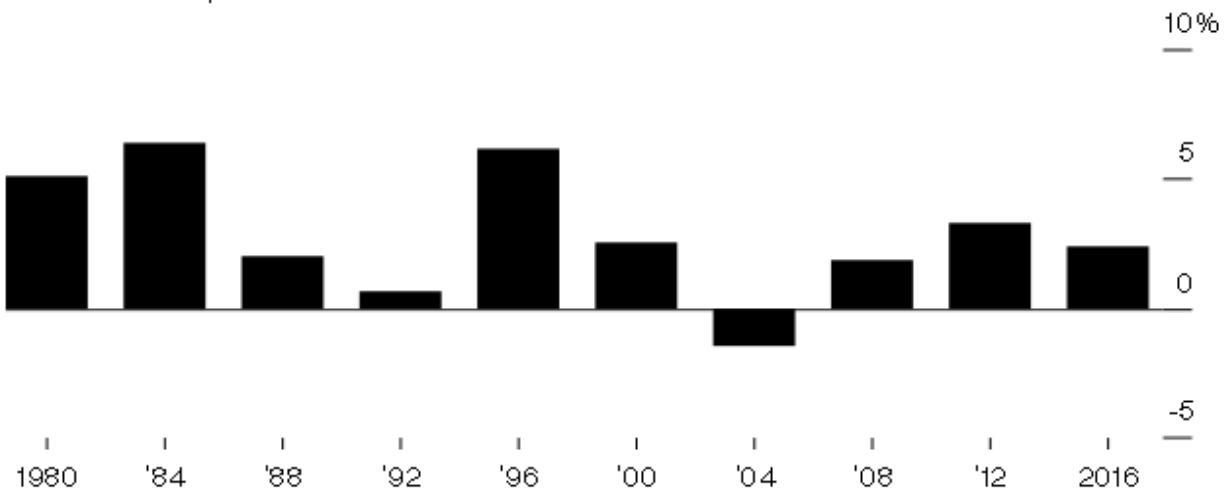
Analysis from the Overseas Development Institute tells us that “the US dollar has risen between 2% to 12% every year following a US presidential election since 1980 (except in 2008)” when the collapse of the mortgage market threw everything out of balance.

Likewise, according to SEB bank in Sweden, “the US dollar strengthened in the 100 trading days after nine of the past 10 elections from 1980 to 2016. The US currency performed better following Democratic wins, rising an average 4% versus about 2% when Republicans prevailed.”

After the Vote

Dollar tends to strengthen 100 days after U.S. presidential elections

■ Greenback's performance



Bloomberg, Federal Reserve's trade weighted nominal advanced foreign economies dollar index

Bottom line, history has shown that the US dollar increases in the year following a US presidential election, whether Democrats or Republicans win. Also, with fall seasonal patterns historically positive between now and November, some US dollar support could develop over the next few months. For more market commentary and trading analysis, connect with me at 844-982-0011 or commodity-options.ca.

Farm Financial Flexibility – September 21, 2020

At this time of year, it's important to be flexible in your farm business. With storage, cash flow and marketing all intersecting at harvest time, there are a lot of challenges and opportunities. Being aware of all your financial strategies can help.

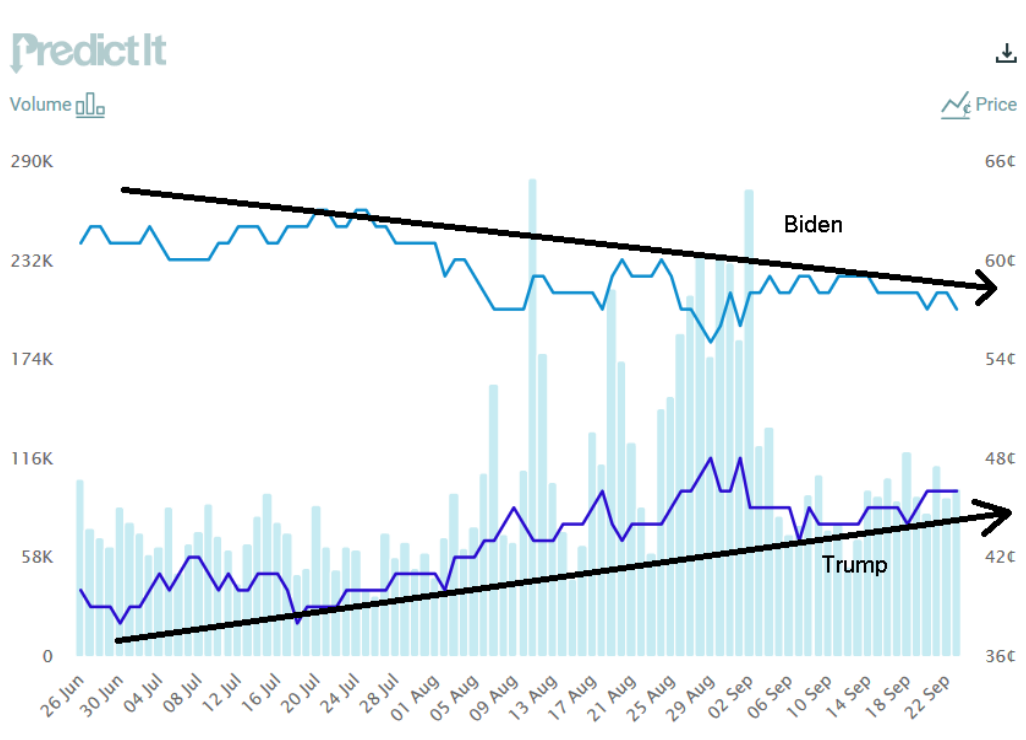
For instance, Dave Gallant, director of finance and operations at the Canadian Canola Growers Association (CCGA), says it “might be a good time, with lots of grain coming off the fields, to consider a cash advance to ensure you don’t sell if you don’t have to. Current rates are 0% on first \$100,000 and 1.7% on next \$900,000 making for a blended rate of only 1.5% on \$1,000,000. There’s not much cheaper working capital out there.” The CCGA points out that “the added farm cash flow also gives you more time to execute your grain marketing plan. You can sell when the time and price is best for you.”

Bottom line, financing alternatives, storage decisions and options & futures hedging programs all work together to help make the most of the crop marketing year. To find out about unique revenue management strategies, connect with me at 844-982-0011 or commodity-options.ca.

Is the trend the President’s friend? – September 28, 2020

Is the trend the President’s friend? An upward trending stock market in the months before an election is helpful for the incumbent president and the US stock market has been drifting higher over the summer months. While it’s fallen off a bit since the beginning of September, the broad market is off only about 5% from the pre-COVID highs but up around 40% from the lows in the depths of the COVID collapse in March.

Online political futures and betting sites are showing Biden with a near 56% chance of winning and Trump at approximately 44%. Over the past few months, that trend has been going down slightly for Biden and up for Trump. Let’s see if those trends persists going in to the election.



Finally, most polls still continue to show Biden winning by 5-10 points on election night.

Bottom line, some indicators are moving in favour of Biden while others are supportive of Trump; combined, they suggest a close vote in the Presidential election on November 3rd. How could all this affect your investments and trading strategies? To find out more, connect with me at 844-982-0011 or commodity-options.ca.

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