
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.

Levelling The Marketing Playing Field: Part 2 – August 13, 2018

A recent Forbes article called "Data Farming" talks about the technology start-up company Farmers Business Network's, or FBN's, mission to shift the leverage from giant manufacturers like Dow Dupont and Monsanto and in to the hands of the producer.

While data is important, FBN says, combining data with collective bargaining power is the real game changer.

For example, "seeds prices are surprisingly complex, but even herbicide and pesticide prices vary depending on a farm's size and location". In addition, "agricultural suppliers tend to bundle products in a way that obscures their true cost.

Knowing this is a good start but bringing farmers together and offering information, an online store and marketing helps growers get better prices on both the goods they buy and the crops they sell. This levels the playing field with the goal of helping make farmers more profitable.

Bottom line, just as Farmers Business Network can help level the playing field with giant ag manufacturing companies, so can hedging tools like options & futures help farmers deal with global grain companies. To gain access to all your marketing options, connect with me at 844-982-0011 or commodity-options.ca.

Levelling The Marketing Playing Field: Part 3 – August 17, 2018

Warren Buffett said: "Predicting rain doesn't count. Building an ark does."

When a grain company buys canola from you, it will likely hedge itself right away in the futures markets to lock in its profit.

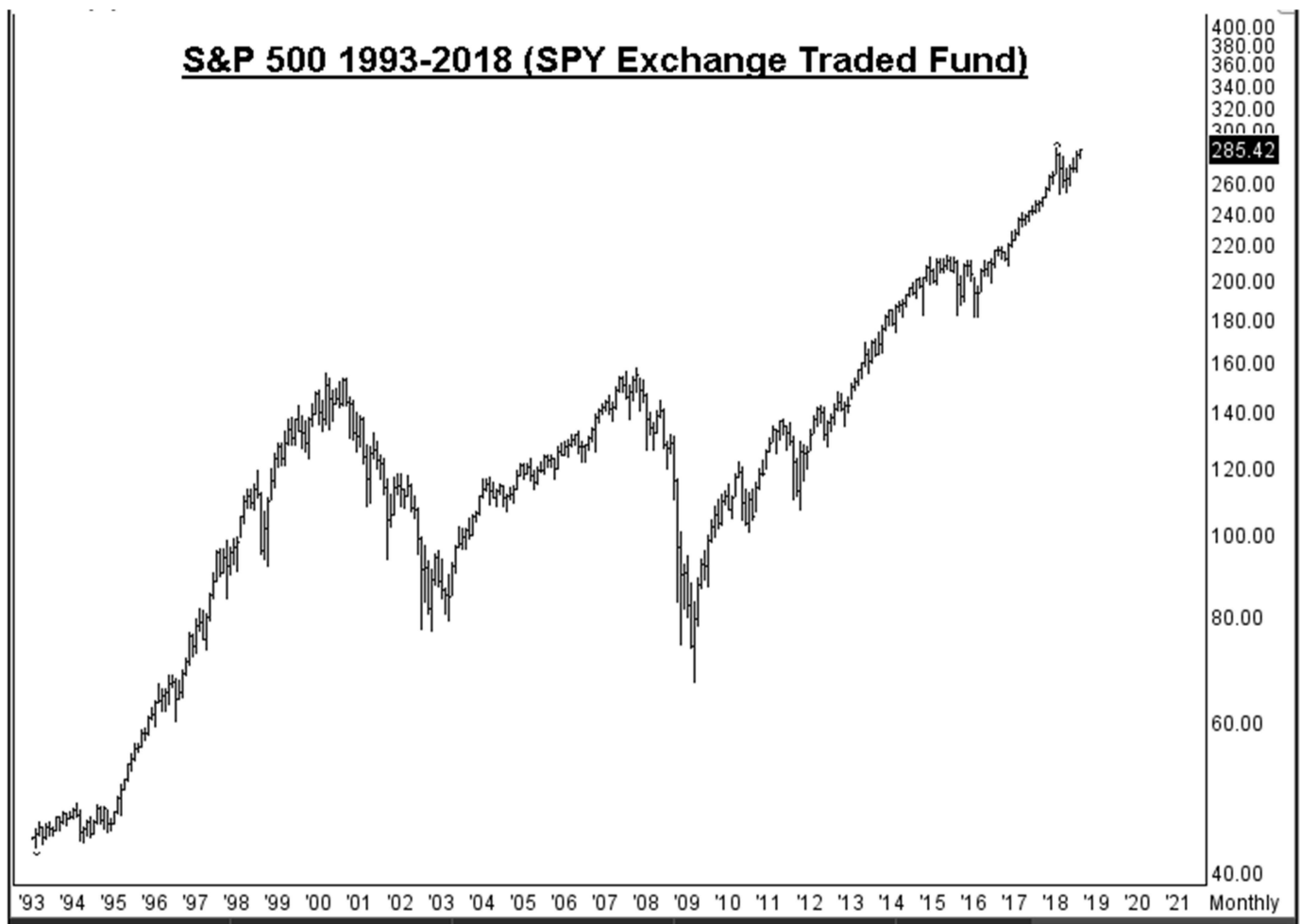
If you're a farmer, you buy seed in the fall, plant it in the spring, fertilizer and spray it over the summer, harvest it in the fall, and typically sell it all before the next crop year. Over the course of those months, there will be many opportunities for pricing and hedging your grain.

So, I'd much rather spend my time building flexible hedging strategies and looking for pricing opportunities than trying to predict prices.

Bottom line, you don't know if the market will drop, but you do know that if you use put strategies, it will help protect revenues. Don't spend too much time trying to build a crystal ball to predict prices. Instead, invest your time building an ark full of diversified hedging strategies to put more control and pricing power in your hands.

Lion and tigers and bears... OH MY!!! - August 20, 2018

Trade wars, rising interest rates, currencies collapsing and all kinds of issues surrounding the US Trump presidency are all bad for stocks. Yet the US stock market as measured by the S&P 500 is only about 1% away from its all-time high reached in January of this year.



Corporate earnings for the top US companies have been good; they're up an estimated 12% in the past year. The recent corporate tax changes in the US are also likely helping shares prices stay strong as well. At the same time, with a price-earnings ratio of over 24 compared to the long-term average of 15, US large cap stocks aren't exactly cheap.

Bottom line, if you're investing in equities, the trend is your friend for now, especially as we enter the seasonally strong six-month period from November to April. As always, however, I am watching some tried, tested and true long-term trend indicators that have been very helpful in the past to determine if we'll have a change in trend over the next 6 to 12 months. For all your farm and family finances, connect with me at 844-982-0011 or commodity-options.ca.

Get Paid to Store Your Grain - August 27, 2018

Farmers continue to invest in their operations holding twenty-nine million tonnes of grain and oilseed on the Prairies, according to Statscan numbers. Here's how you can benefit from your increased storage capacity.

"The ability to store grain can definitely be an advantage on the marketing side," said Jonathan Driedger, senior market analyst with Winnipeg-based FarmLink Marketing Solutions. "Storing that crop for a few more months and sell in winter or spring is going to work out for you more often than not just by virtue of seasonal price differences." said Driedger.

Storage is indeed a valuable marketing asset, especially when combined with options & futures hedging tools. Futures and options go hand in hand with grain storage in three important ways:

- 1) protecting your grain assets in the bin,
- 2) capturing storage premiums
- 3) getting paid to sell your grain at a higher price.

Bottom line, options & futures can help you maximize your storage assets by earning carry costs, allowing you to potentially sell your grain at a higher or collecting option premium on grain sitting in the bin.

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