

MARKET WATCH

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

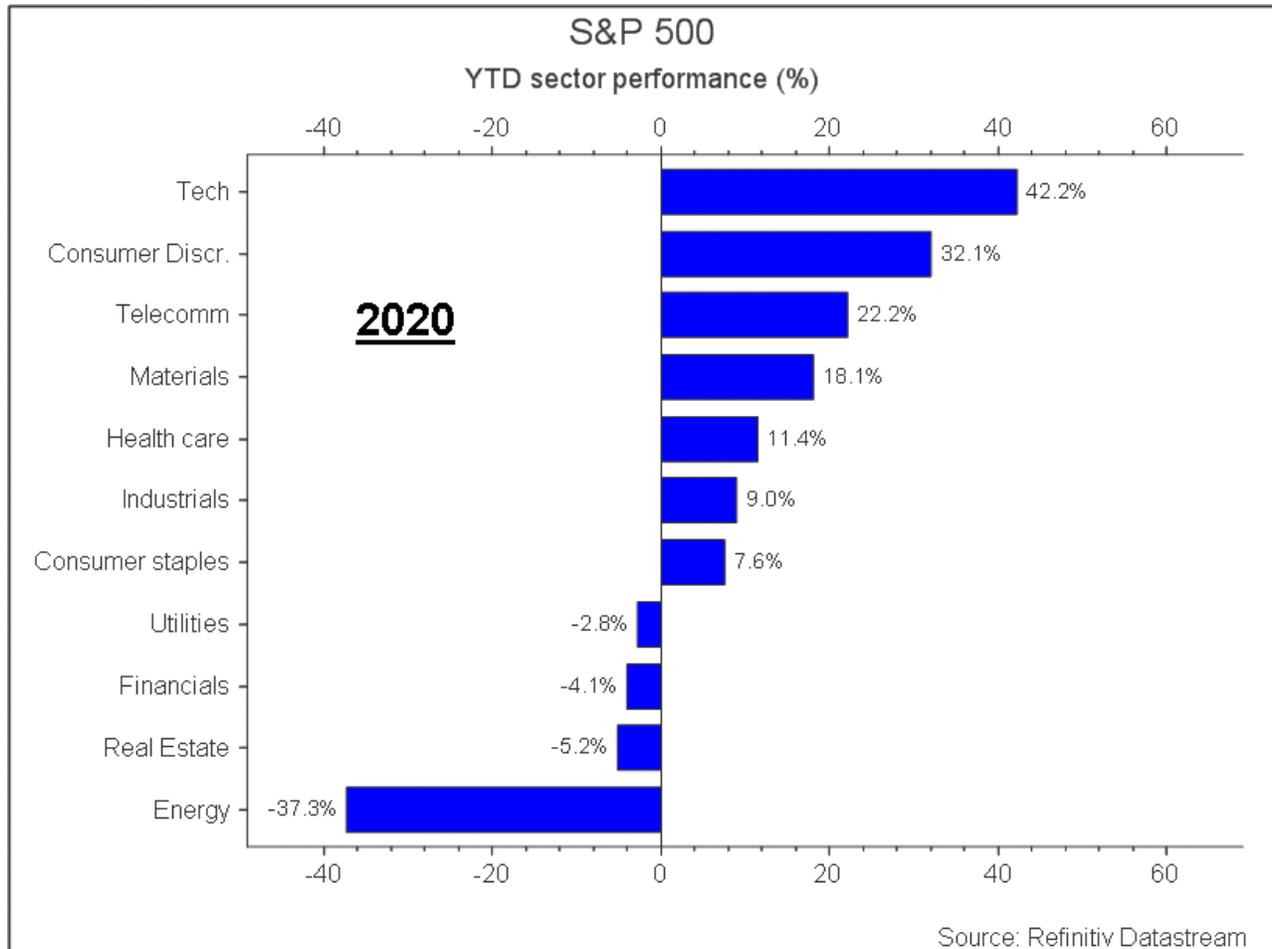
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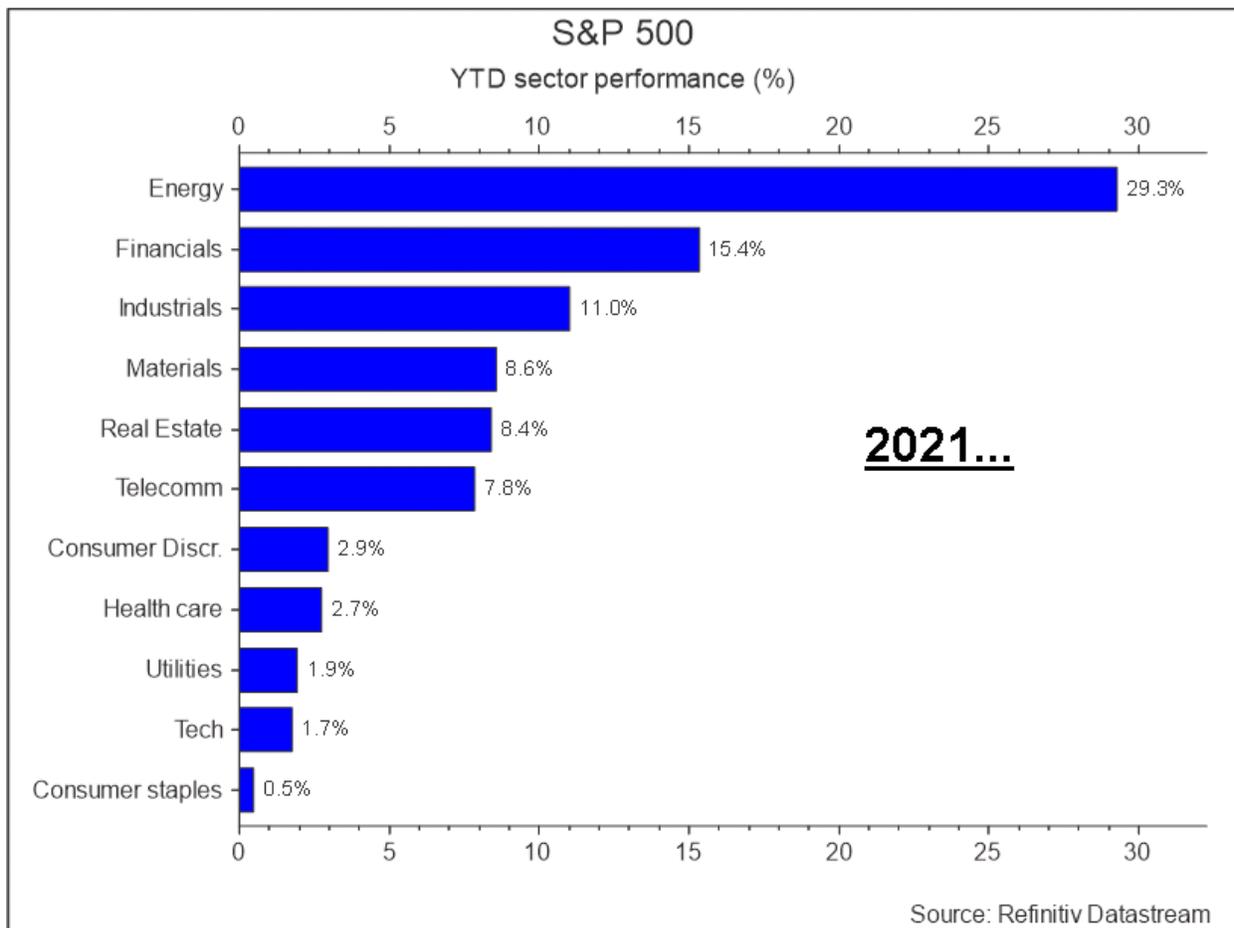
Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.

The Rearview Mirror – April 5, 2021

Looking in the rearview mirror is dangerous when driving and in the markets. We all know there are cycles in the economy and the market where assets move from overvalued to undervalued and then back again to overvalued. This is just the natural ebb and flow of things as money sloshes from one place to another.

Some of the biggest flip flops this year compared to last year are in technology, energy and financial sectors.





The technology sector in North American was up about 40% on average in 2020; this year so far it's up barely 2%.

Meanwhile, energy stocks have rebounded around 30% in 2021 after falling almost 40% last year.

As for the financial and banking system, it's increased about 15% in the past three months after slipping nearly 5% in 2020.

Bottom line, different sectors of the economy and the markets take turns going up and down. In many cases, what worked well in the past year won't be what performs best in the future. Appreciating this straightforward idea can help your decision making going forward. For market analysis and trading strategies, connect with me at 844-982-0011 or commodity-options.ca.

Really Hot & Really Stormy – April 12, 2021

Spring has barely begun and we already have summer weather forecasts, and they are more extreme than in previous years.

In the US, the Farmers' Almanac predicts above-normal temperatures, especially in the South and East with the summer heat peaking in late August and into early September. In particular from South Dakota, to Nebraska, Kansas and then into Oklahoma & Northern Texas, we could

see searing and oppressively hot temperatures, only normal precipitation but with severe storms and even tornadoes.



According to the *Canadian Farmers' Almanac*, expect above-normal summer temperatures with greater-than-normal thunderstorms that could even spawn some tornadoes over the Prairies during June and July. Summer's heat will build and arrive later than normal and could peak in late August into early September.



Bottom line, the Farmers' Almanac is looking for a really hot and really stormy summer with potential tornado activity throughout key North American central growing regions. Weather, like the markets, will be volatile so for market analysis and hedging strategies to help manage the impact of weather on commodity prices, connect with me at 844-982-0011 or commodity-options.ca.

The best time to sell grain is often the worst time to sell grain – April 19, 2021

The best time to sell your grain because of high prices is also often the worst time to sell grain because of production risk.

With these nice high prices but still a lot of production uncertainty ahead, producers are finding ways to better manage their revenues and physical deliveries. A recent survey by Farm Credit Canada (FCC) shows that grain and oilseed producers use numerous marketing risk management strategies ranging from fixed price and basis contracts to more sophisticated tools like futures and options. The FCC report goes on to say that having an effective marketing risk management strategy isn't only about mitigating output price volatility. It must also consider the risks of input price volatility and the Canadian dollar.

Bottom line, with grain prices at some really good levels, or at all-time highs like canola, a wide variety of pricing strategies give you the marketing flexibility to capture these high prices along with the upside potential you still want but also the downside protection you need all while managing your production risk. For market analysis and options & futures hedging strategies to help separate your pricing and delivery decisions, connect with me at 844-982-0011 or commodity-options.ca.

Could \$750 a tonne new crop canola on the Canadian Prairies be next? – April 26, 2021

A recent Reuters article stated that the French consultancy Strategie Grains "has lowered its forecast for the 2021 rapeseed harvest in the EU for the second month in a row and is monitoring the risk of localized damage to crops from wintry weather this week. Rapeseed crops endured another drought-affected sowing campaign, notably in France. The oilseed is now facing late frosts in western Europe as plants enter the crucial flowering stage."

French November rapeseed futures are trading at the equivalent of C\$750/tonne. Chinese rapeseed prices broke through the equivalent of C\$750 over a year ago and are now at almost the equivalent of C\$1100.



While these are simplistic comparisons, our new crop canola price trends are still strong and could be next to reach C\$750/tonne or \$17/bushel.

Bottom line, never say never in the markets, especially when it comes to agriculture markets that have a lot of growing and weather uncertainty in front of them. For market analysis and options & futures hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

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