
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.

*"Knowing what we don't know is better than thinking we know what we don't."
Superforecasting: The Art & Science of Prediction, Dan Gardner & Philip E. Tetlock*

What goes up... – April 4, 2022

Is the impact of the Russian invasion on global markets starting to run its course?

Whether or not a truce or peace talks between Ukraine and Russia is imminent, the markets particularly affected by the initial invasion seem to be suggesting a scaling back of the conflict:

- The Russian Ruble currency is still down 15% from the day of the invasion but had collapsed almost 50% at one point.
- Oil has been trading back below \$100/barrel recently and up only 10% after touching \$130 while being up almost 50%.
- Wheat has increased over 20% but was up 60% at its height.
- While nickel price had more than doubled, it's currently up about 40%.
- And finally an index of global stocks is higher by about 2% despite the war situation.

Bottom line, it's still very much an evolving process in Ukraine and market volatility has been high. So remember, what goes up, usually does come down, whether that happens next week, next month, next quarter or even next year. For market analysis, hedging strategies and investment management, connect with me at 844-982-0011 or commodity-options.ca.

Are our grain prices getting too high? – April 11, 2022

Are our grain prices getting too high? A global perspective on food costs can help answer that.

The United Nations Food & Agriculture Organization global food index is up 55% since COVID first broke out and up 15% in the past year. It's not just grain commodities but a bunch of different foodstuffs from all around the world that are going higher so as the saying goes, a rising tide lifts all boats. Some particularly large moves higher in global food commodity futures prices illustrate this trend:

United Nations Food & Agriculture Organization Food Price Index



Source: www.fao.org/worldfoodsituation/foodpricesindex/en/

Chinese apple futures are up 75% since last year and their egg futures have increased 15%

In Europe, potato futures have risen 25%, butter futures up 75% and skimmed milk is up 70% over the course of the past year.

We've all heard the expressions "the cure for high prices is high prices" or "what goes up, must come down", so the question now is when?

Bottom line, food prices are going up and the trend is still your friend but at some point, trends do change. For flexible hedging strategies to capture these high grain prices and to manage the downside risk, connect with me at 844-982-0011 or commodity-options.ca.

Is it soybean's turn again? – April 18, 2022

Over the past two years, different grain commodities have taken the price leadership role at different times alternating between oats, corn, wheat, soybeans and canola.

Now it seems soybeans are going to have another run. This past week, new crop November soybean futures have moved back to the high end of its two-month trading range and are set to breakout higher. This is also coupled with a breakout higher in soybean oil futures as well.



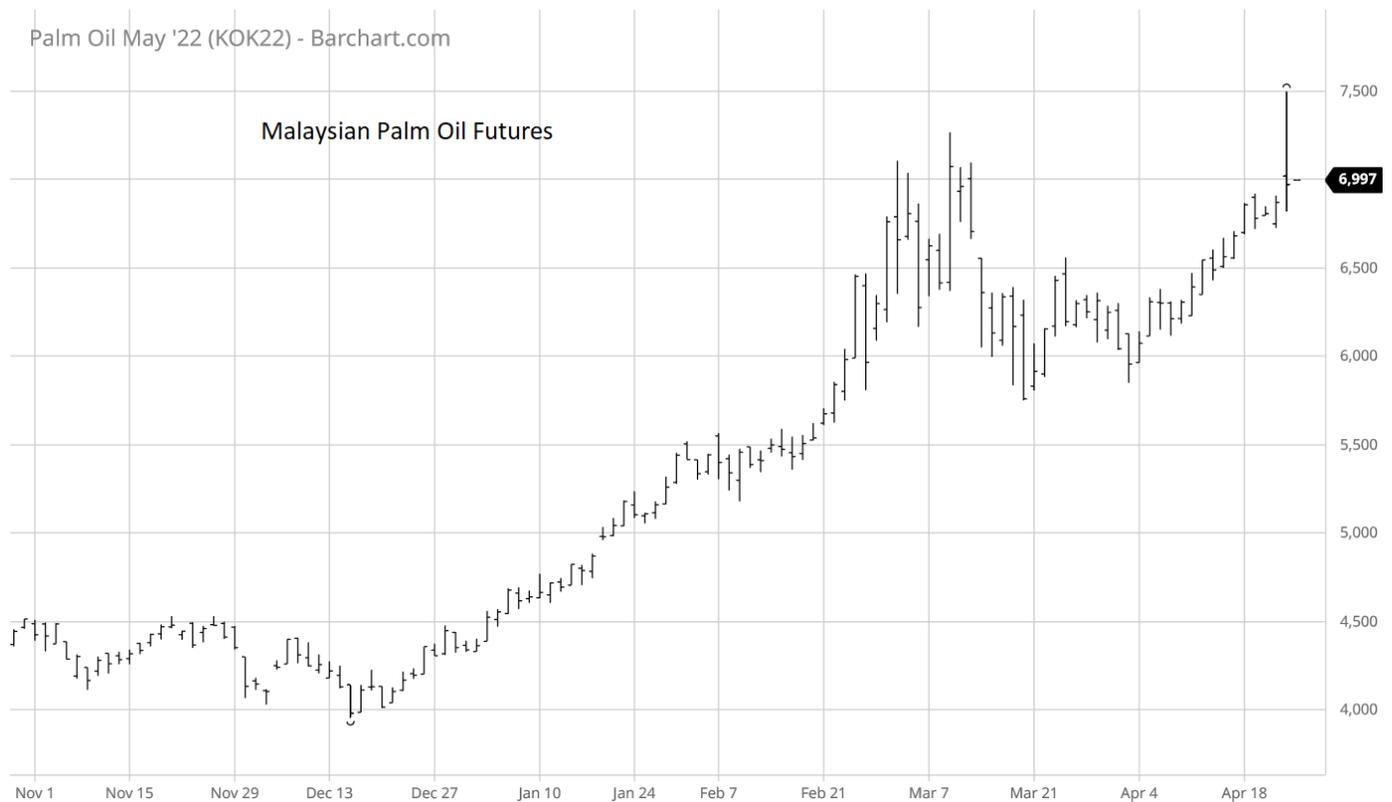
Meanwhile, canola has been steadily moving higher for months regardless of the previous sideways trading activity in soybeans and soy oil. These emerging bullish soy market price patterns provide some additional support for canola prices going forward.

Bottom line, canola has been going up for months and now there is another supportive market factor as positive price patterns develop in soybeans and soyoil. For flexible hedging strategies to capture these high grain prices, protect against downside risk and minimize your delivery commitments, connect with me at 844-982-0011 or commodity-options.ca.

A long time ago in a galaxy not so far away... - April 25, 2022

Goods used to trade relatively freely between countries but now, two years into a major pandemic, war in the European breadbasket and economic sanction against one of the world top commodity exporters, trade frictions are becoming more common.

Last week I talked about a bullish price pattern developing in soybean oil. On Friday that trading activity was further confirmed when the President of Indonesia announced an export ban on palm oil "so availability of cooking oil in the domestic market becomes abundant and affordable." Indonesia is the largest producer and exporter of palm oil, accounting for more than half of global supply. As a result of this ban, soybean oil futures jumped 4.5% to an all-time high and the canola price trend continued with a breakout to new record highs as well.



Bottom line, which commodity could be hit next in this series of restrictive trade events that are squeezing global commodity prices? We'll find out, so for flexible marketing strategies to navigate these turbulent times so you can capture these high grain prices, protect against downside risk and minimize your delivery commitments, connect with me at 844-982-0011 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 Investment Industry Regulatory Organization of Canada.