

MARKET WATCH

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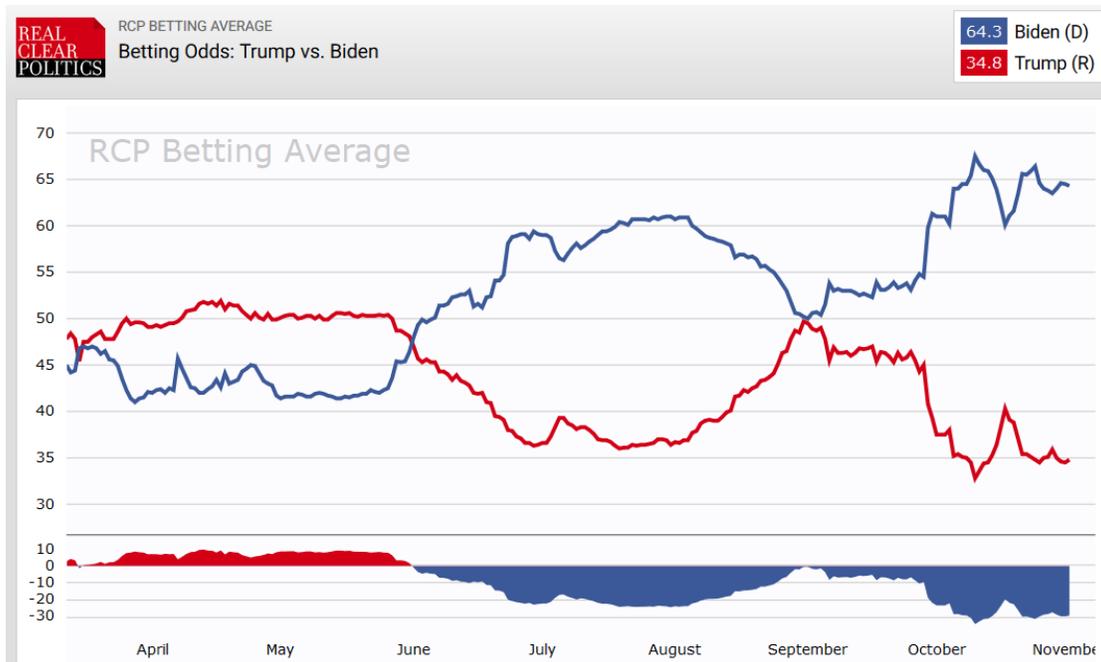
Connect at www.Commodity-Options.ca or 1-844-982-0011

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

The US election, finally – November 2, 2020

The past several months have been full of polling results, election predictions and political opinions. You've probably had enough of US election talk, but here are a few more interesting presidential election statistics ahead this Tuesday's vote:

- The average of national polls in the past week show Biden at 51%, Trump with 44% and 5% either undecided or no response.
- The average online political betting sites still show Biden at 65% with Trump at 35%.

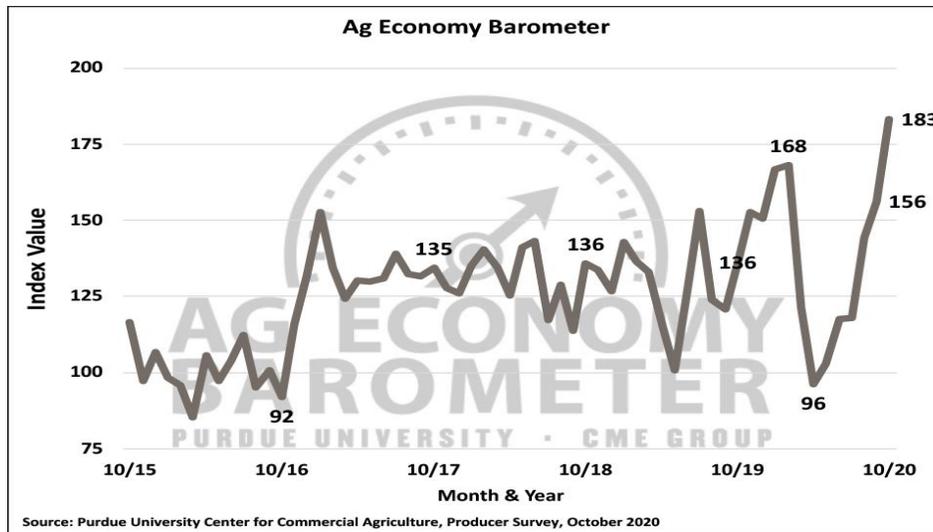


- Other important figures to keep in mind are the actual previous election results. While the past is not a promise of the future, it does shed some light on what people's behavior has been over time. In the previous 231 years since 1789 when the first President of the United States was elected, there have been 45 presidencies. Of those seeking a second term, 80% of incumbents have won reelection.

Bottom line, it doesn't mean that the incumbent President will win this election, but the status quo is often the biggest opponent in an election and incumbents often win because of sheer inertia. For more market analysis and trading strategies, connect with me at 844-982-0011 or commodity-options.ca.

US Farmers Optimism Increasing – November 9, 2020

In a recent survey, US farmers were more optimistic about both the future and current financial situations on their farms. The Purdue University/CME Group Ag Economy Barometer indicator rose to an all-time high in October.



Comparing their farm's financial condition today to one-year ago, 25% of survey respondents said their farm was better off financially now than at the same time last year. This was the most positive response from producers to this question in the history of the barometer survey since it began five years ago. As a result, the *Farm Capital Investment Index* also set a new record high in October. Responses to questions regarding farmers' upcoming farm machinery purchasing plans were the most positive received since COVID hit in March.

Producers' short-run outlook for farmland values also improved with more respondents expecting values to rise over the next 12 months

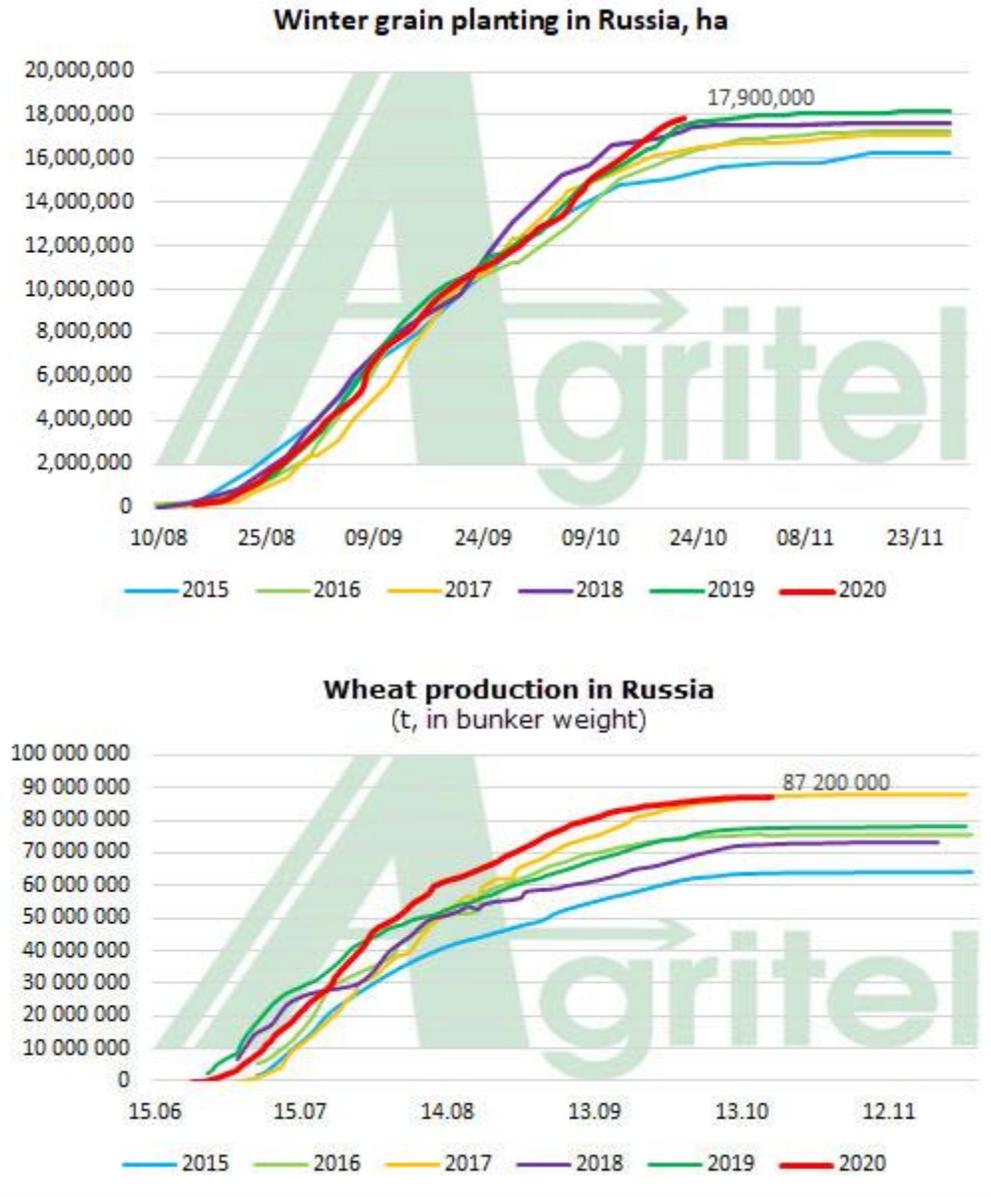
Bottom line, since bottoming out this summer, the ag economy has rebounded sharply and the dramatic improvement in sentiment mirrors the turnaround in the farm income picture. The late summer/early fall rally in commodity prices has certainly helped. For more farm analysis and commodity commentary, connect with me at 844-982-0011 or commodity-options.ca.

Russia – November 16, 2020

There's been a lot of concerning news out of Russia as it relates to the wheat market, but what do the production figures show? Agritel from France recently offered an update of the Russian wheat market:

"Russia is once again the center of the market's attention. Dry weather has persisted in the main wheat producing regions for several months now, raising fears about wheat production in 2021. Plantings progress well, but no sprouts are seen in many places yet. Some rain arrived in parts of Russia last week and precipitation is in forecasts for the end of October-early November, but the weather remains very changeable."

SovEcon, which provides Russian agriculture forecasts, news and price information, said almost all winter wheat regions in Russia have received only 20 to 40 percent of their normal fall precipitation.

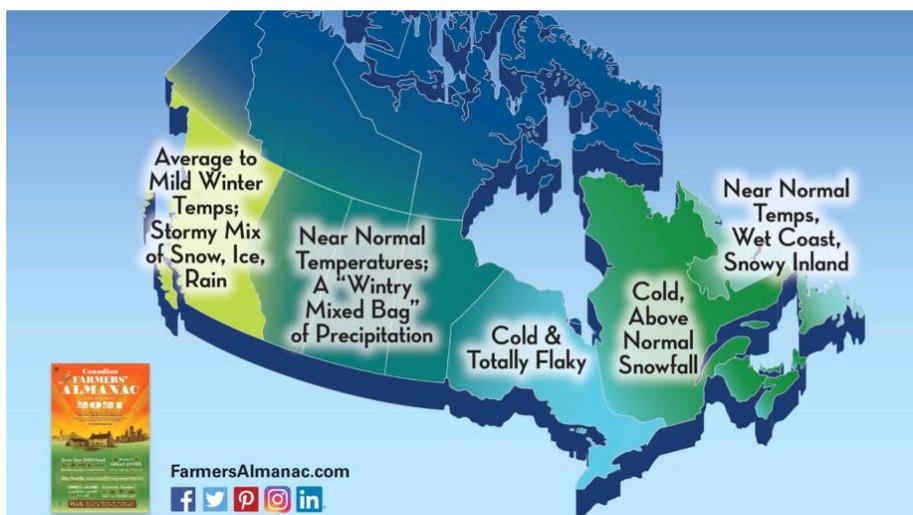


Bottom line, numbers suggest good wheat production from Russia and that it is finishing its second record harvest in history. However, global demand and of course, weather, will still have more to say about where global wheat prices go from here. To prepare yourself for different market situations and to access a wide range of crop hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

Winter Weather Forecast – November 23, 2020

With our first real snowfall falling on Winnipeg this past weekend, I figured it was time for a winter weather forecast.

In the recent Farmers' Almanac winter weather forecast, they state: "Western Ontario, Manitoba, Saskatchewan, Alberta, and eastern British Columbia will experience much colder than normal winter temperatures. In addition, above-normal snow is expected over the interior of British Columbia, Alberta, Saskatchewan and Manitoba.



For the US, their long-range forecast is calling for a cold winter with normal to below-normal temperatures in areas from the Great Lakes and Midwest, westward through the Northern and Central Plains, and Rockies. The Great Lakes region will get its fair share of snow but expect above-normal snowfall if you live in the western Dakotas, northern portions of Colorado and Utah, as well as Wyoming, Montana and Idaho.

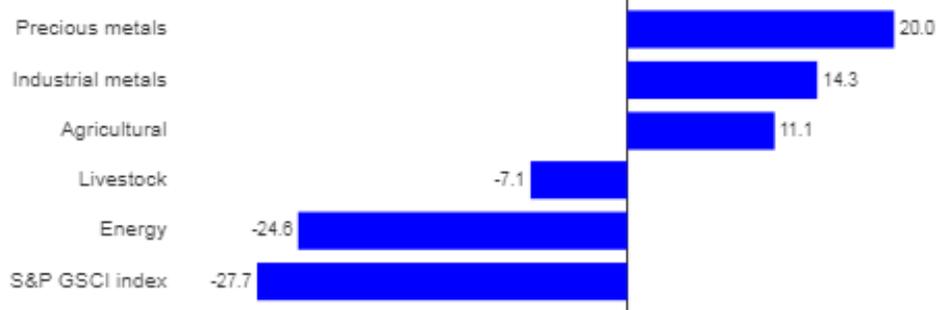


Bottom line, you can't control Mother Nature or the markets, but you can use hedging tools like options and futures to help manage their impact on your selling price. To prepare for different market situations and to access a wide range of crop hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

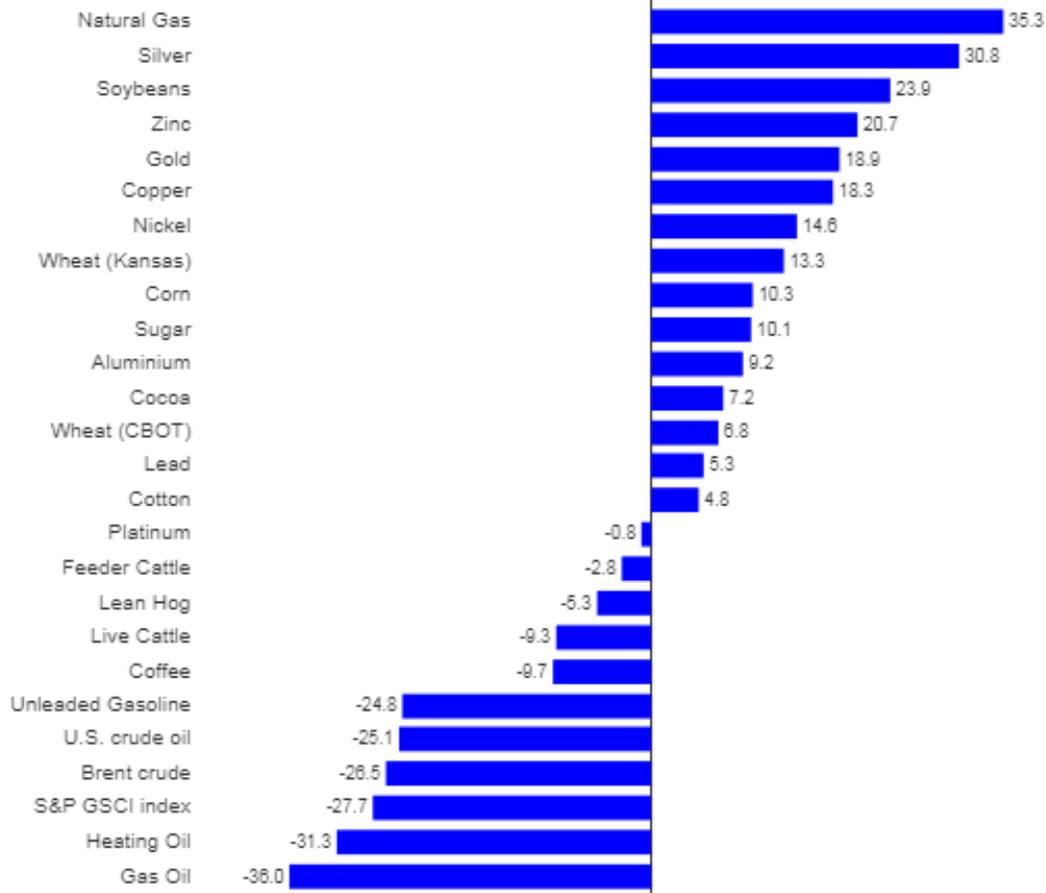
How have commodity prices done so far this year? – November 30, 2020

Commodities performance in 2020

S&P GSCI index spot price change in 2020* - percent



S&P GSCI index spot price change in 2020* - percent



Source: Refinitiv Datastream

Overall, the Bloomberg Commodity Price Index is down about 7% this year but when you look closer, the details show a lot more variability.

First of all, at the COVID induced lows in April, the whole commodity index was down as much as 27%.

Second, some commodity sectors have performed better than others. Metals are up 15%-20% and agriculture commodities are up around 10% but energy is down 25%. There are, however, some very important OPEC & oil-producing country meetings this week that could affect oil prices before year-end.

Within the agriculture sector, soybeans are up 25% year-to-date, canola 15%, wheat & corn around 10% but cattle has fallen 10% & hogs are off by 5%.

Bottom line, you can't control markets, but you can use hedging tools like options and futures to help manage their impact on your selling price. To prepare for different market situations and to have access to a wide range of crop hedging strategies to capture price rallies while still mitigating some of the downside risk, connect with me at 844-982-0011 or commodity-options.ca.

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