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# 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.

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## **New Crop Pricing – March 1, 2021**

With canola futures prices trading near all time highs, what's next? Canola futures hit \$19.30/bushel last week and is still pointing higher. Soybeans, soybean oil, palm oil and French & Chinese rapeseed futures are all trending up as well.

It's not just oilseeds but corn, oats, barley and wheat are moving up as well. In fact, most commodities including lumber, crude oil, sugar and cotton have all been rising in the past year too.

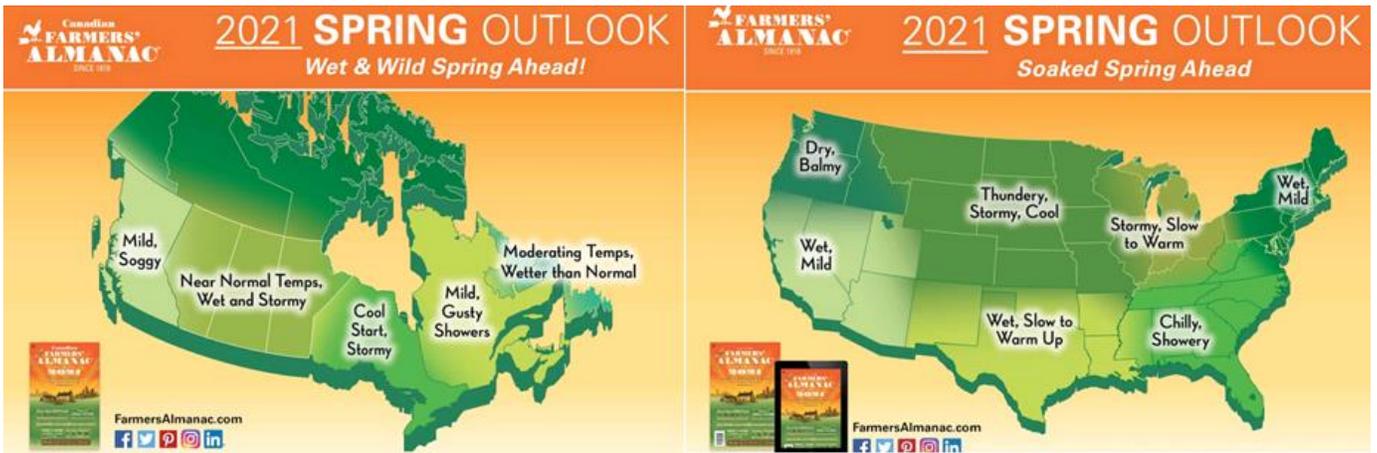
So what do you do about new crop pricing? Since it's so early in the new crop marketing season with a lot of growing season weather ahead of us, you don't want to commit too much of your expected production. You also don't want to just lock-in prices and miss out on potentially higher prices. The key going forward will be finding the best option strategies to capture as much of these high prices while still protecting against the downside.

Bottom line, the important questions now are, will grain prices continue to go higher? And what can a farmer do about it? For commodity market analysis and option hedging strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **Will we have a soggy spring? – March 8, 2021**

According to the US Farmers' Almanac long-range outlook, spring 2021 will be mild and wet for most parts of the US, with plenty of thunderstorms, especially over the central and eastern states during late April. Temperatures will be slow to warm for the Great Lakes and South Central States. In general, for the main crop growing regions, the spring is expected to be thundery, stormy and cool.

Meanwhile, the Canadian Farmers' Almanac is forecasting a mild and wet spring for most parts of the country. Showers and thunderstorms will be prevalent especially over the Prairies during late April, where potentially strong-to-severe thunderstorms might extend from eastern Manitoba and points east. Overall, spring is expected to be wet, stormy with near normal temperatures.

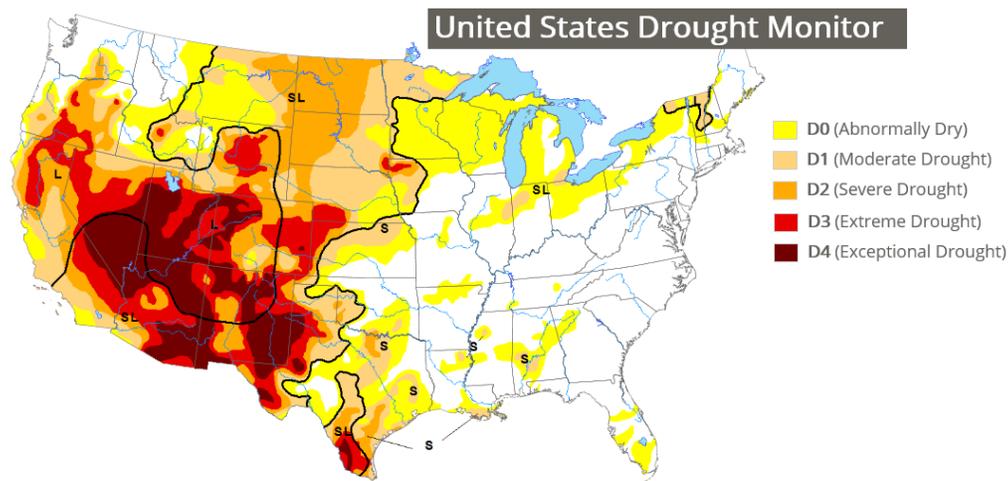


Bottom line, the Farmers' Almanac Spring Weather Forecast is looking for a soaked spring ahead throughout most of the growing regions in North America. This may help some of the dryer areas across our Prairies but weather, like the markets, will be volatile. For commodity market analysis and option hedging strategies to help manage the effects of the weather of commodity prices, connect with me at 844-982-0011 or commodity-options.ca.

### Just how dry is it out there? – March 15, 2021

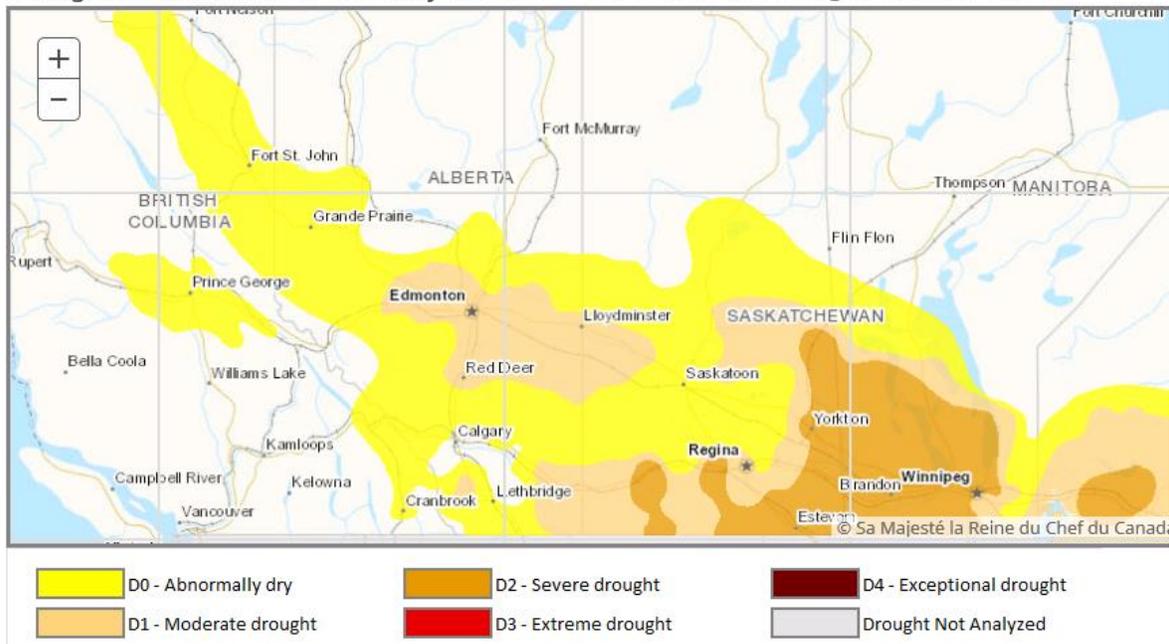
The US Drought Monitor showed 11% of Midwest states were in moderate or worse drought last week. High Plains states were 19% extremely dry. Approximately 55% of Kansas, 80% of Texas, 56% of South Dakota are in some degree of drought. All of North Dakota has a moisture shortage with 69% in severe drought. In some degree of drought is 60% of Iowa, 85% of Nebraska, 40% of Minnesota, 61% of Wisconsin and 48% of Michigan.

As of March 9th, "temperatures were warmer than normal over much of the northern Plains and into the central Plains and Midwest with temperatures greater than 15 degrees above normal in the Dakotas. This took care of any remaining snows through the region and started the spring thaw on soils."



In Canada, most of the Manitoba growing area is in moderate to severe drought. Alberta and Saskatchewan are in abnormally dry to moderate drought conditions.

## Drought conditions as of February 28, 2021 The Canadian Drought Monitor (CDM)



Bottom line, for commodity market analysis and option hedging strategies to help manage price and the weather, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

### **What a difference a year can make – March 22, 2021**

Last March at this time, we were at the height of the COVID panic in the markets and the future was anything but certain. Prices were collapsing as economies were grinding to a halt and nobody new what was going on, let alone what was going to happen. Fast forward a year and things have changed dramatically in many directions. For the grain markets, nearby futures prices have been steadily trending higher.

- Corn has gone from US\$3.70 to US\$5.60 per bushel
- Soybeans from \$9 to \$14
- Hard red spring wheat futures from \$5.75 to \$6.25
- Oats \$2.50 to \$3.70 US, and
- Canola from \$10.50 to \$17.50

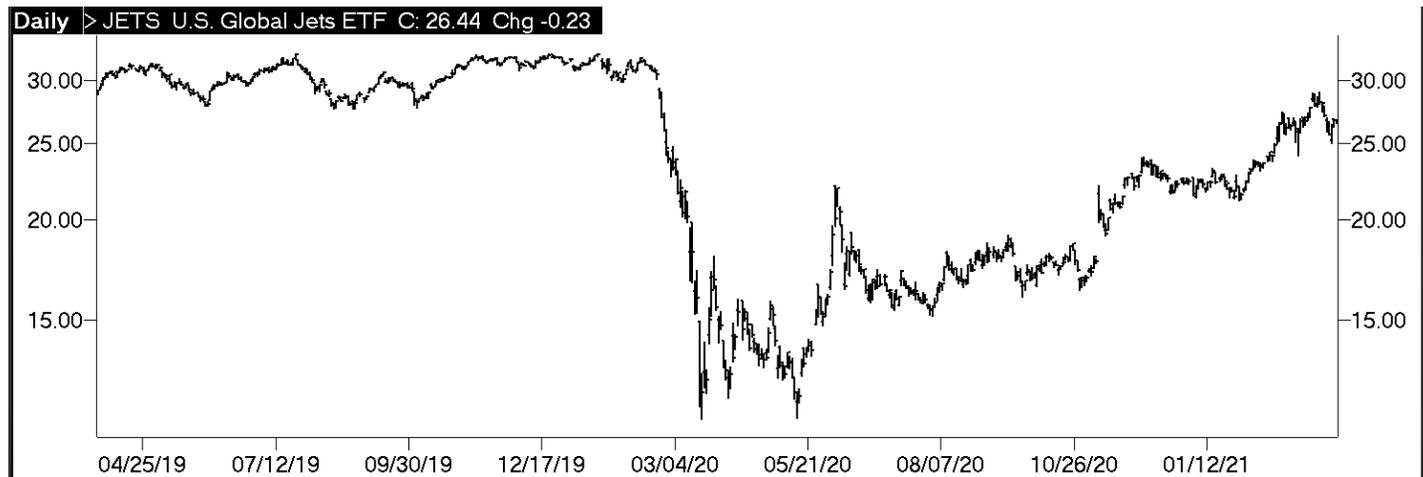
Meanwhile, livestock futures prices are mixed in the past year. Feeder cattle are unchanged, full weight cattle are up about 10% but hogs are up over 30%.

Bottom line, never say never, especially when it comes to the markets. The world of commodities could look dramatically different again in another year from now too. For commodity option hedging strategies to manage this uncertainty and provide some extra flexibility to your grain marketing, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

### **The New Normal – March 29, 2021**

It's been a year since the height of the COVID panic in the markets and many things are getting back to their new normal.

Last March, financial and economic markets were in turmoil as stocks collapsed to their COVID lows. Fast forward a year and most markets have recovered. The one area that is still trying to get back to its normal is international travel. But even that sector is improving as measured by what the global airlines stocks are doing. The best way to track this is the Global Jets (JETS) exchange traded airline fund. Prior to COVID, the fund was trading at about US\$30 per share. It dropped to as low as almost US\$11 and is now back to about US\$27.



At the same time, airline travel according to the US Transportation Security Administration figures, or TSA, show that personal air travel is back to 70% of pre-COVID levels.

Bottom line, with air travel and airline stocks signaling a return to more normalcy in our world, overall economic activity, corporate earnings and investor sentiment will determine the direction of stock markets going forward. For investment analysis and portfolio management, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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