
MARKET WATCH

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

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

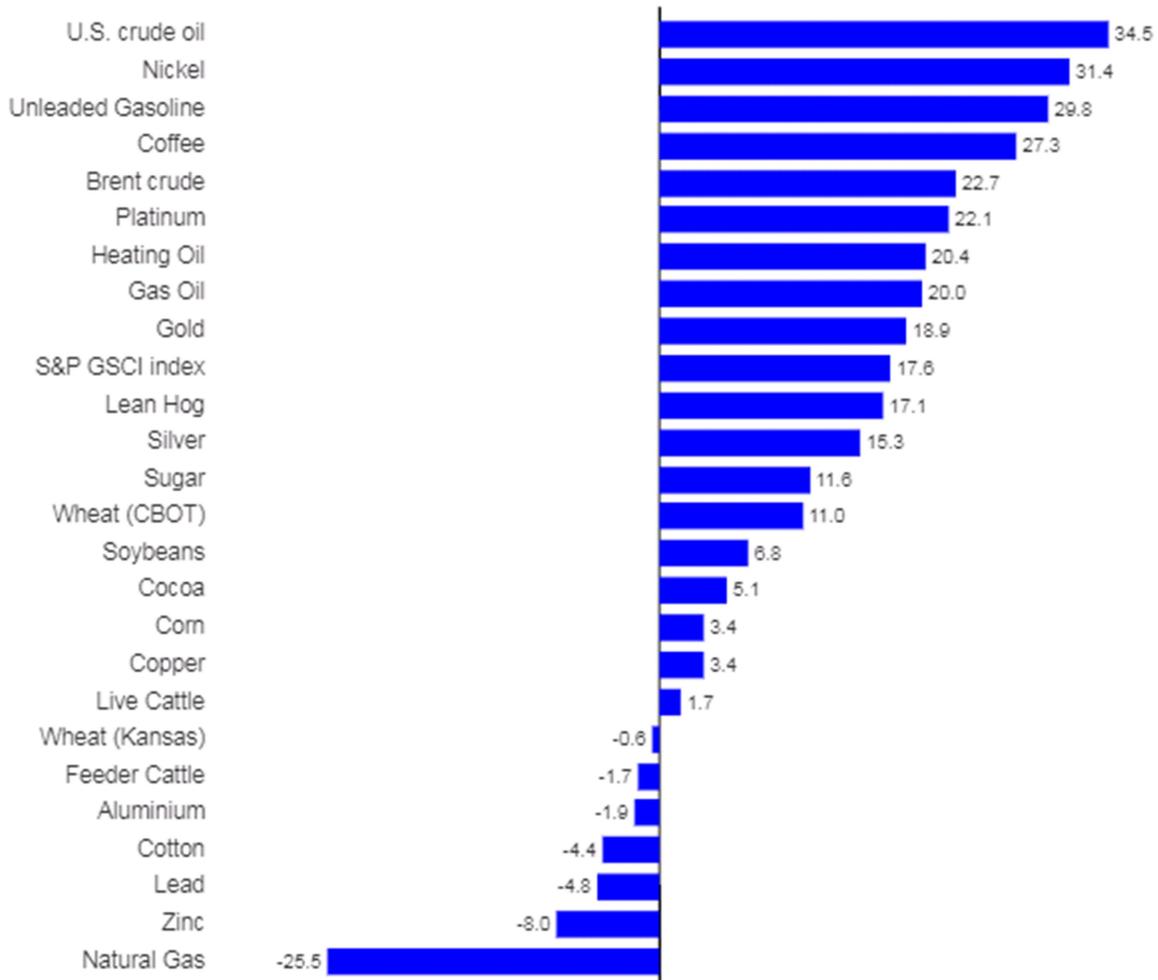
Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.

*“When you understand the past, the confusion of the present becomes clear”
- John Betjeman, English poet, writer, and broadcaster*

The best performing commodity of 2019 – January 5, 2020

US crude oil was the strongest commodity in 2019 increasing 35% and has been up 6% this year already.

S&P GCSI index spot price change in 2019 - percent*



Source: Refinitiv Datastream

This recent move was driven by the exchange of military attacks between the US and Iran in Iraq. Oil had been trending higher for the past three months. It is now above the highest price it reached following the drone attacks on Saudi Arabia's biggest oil processing operation back in September.

Verbal threats between the two countries continued over the weekend with Trump saying the US has targeted 52 sites in Iran should they retaliate while Iran aims to rid the region of America. As a result, oil was up almost \$2/barrel during Sunday overnight trade.

Bottom line, oil has numerous effects on the farm economy including a direct impact on the Canadian dollar. For market insights and options & futures hedging strategies that let you do something about all these market movements, connect with me at 844-982-0011 or commodity-options.ca.

The stock market in 2019 & 2020 – January 13,2020

It was a good year for the stock market last year and probabilities suggest this will continue this year. The top 500 US companies in the S&P index were up 29% in 2019 while the Canadian TSX index was up 19%. So what's in store for this year?

Interestingly enough, since 1956, in the year following a 20% plus gain, the TSX was again higher 2/3 of the time with an average gain of 15%, PI Financial research shows.

Meanwhile, according to the Stock Traders Almanac, since 1952, the US stock market has increased 10% on average in election years when an incumbent president is running for a second term.

Bottom line, history is just a guide, not a guarantee and the trend is your friend. So, a mix of broad-based large company stocks combined with corporate bonds, preferred shares and real estate investments can form a balanced, diversified portfolio to create cash flow and generate growth for you over time. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

Financial Technology – January 13,2020

Crop production and grain prices go hand in hand. Fortunately with today's technology, you can find ways to separate the two.

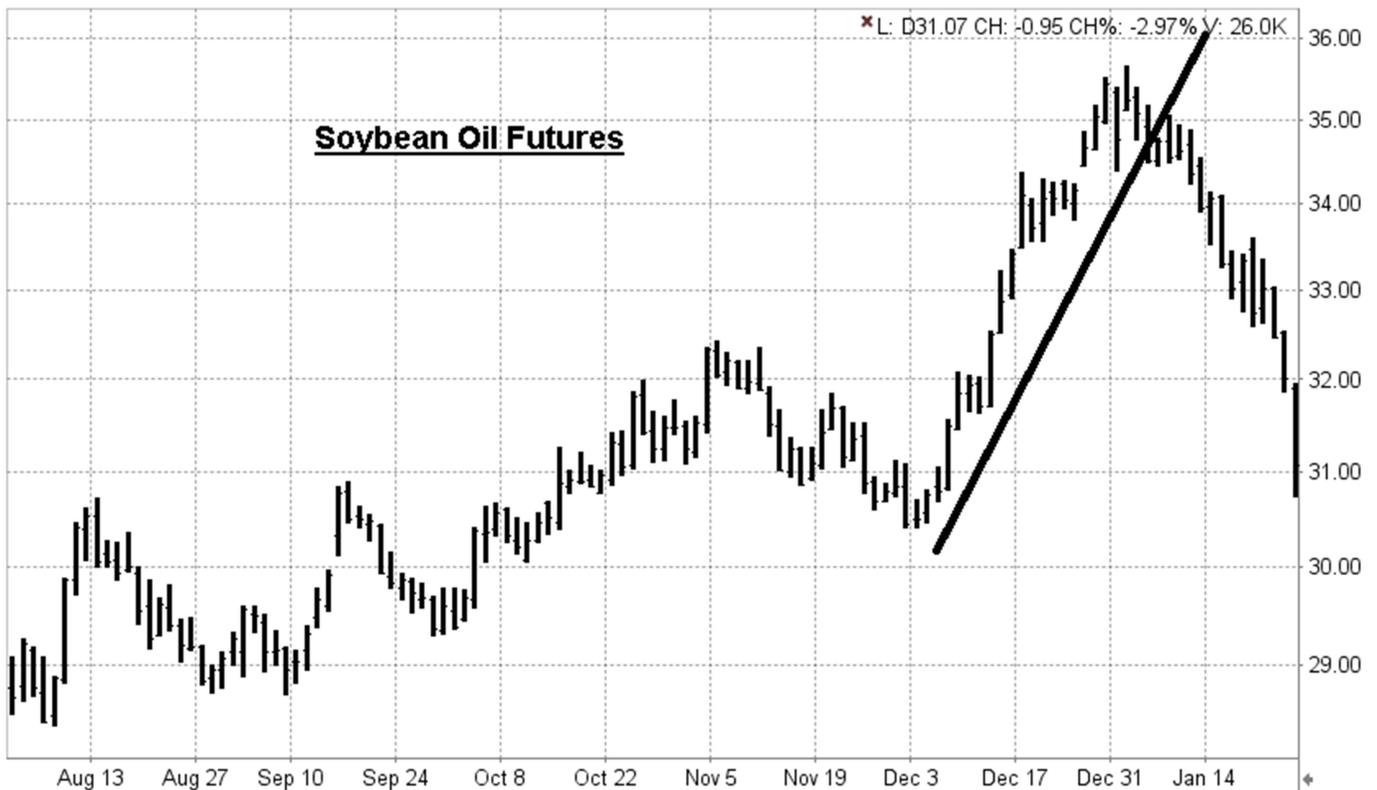
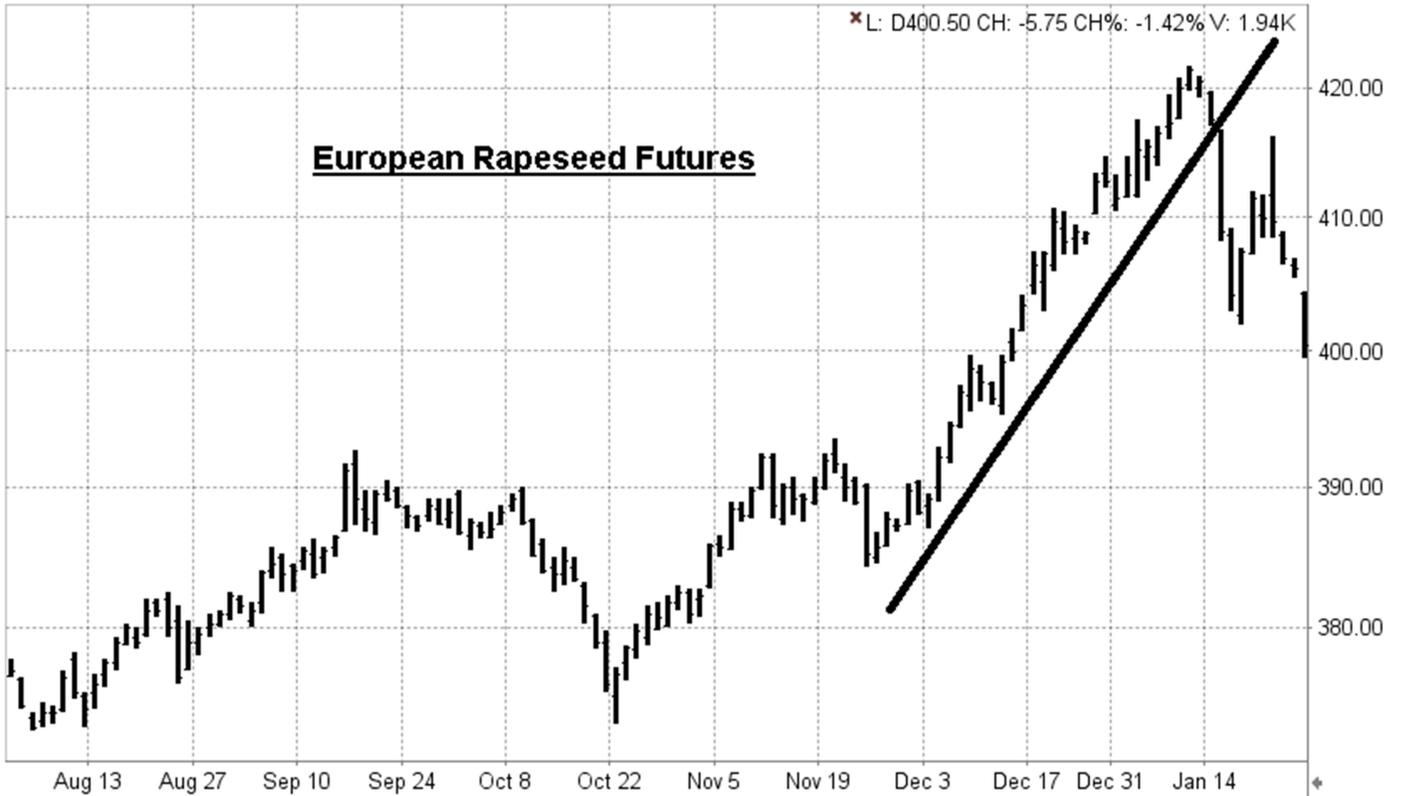
Global supply and demand pricing pressures often influence production while at other times good or bad crop yields worldwide will determine prices. But at the farm level, with the equipment technology available today like variable rate, aerial imaging and zone mapping, you can improve production despite what's happening around the world.

Likewise, with financial technology, including options & futures, you can fine tune your pricing, storage and delivery decisions despite global price fluctuations. For instance, you can price with futures contracts if basis levels are really poor or use options for the downside price protection you need with the upside potential you want.

Bottom line, risk management technology can create a range of prices you want but avoid the ones you don't just like farming technology can create a range of production parameters. Both are a reality in our high tech world so for farm revenue management technology and products, connect with me at 844-982-0011 or commodity-options.ca.

What goes up must come down – January 27, 2020

Most global oilseeds futures had been generally trending higher during the last quarter of 2019 with prices peaking right around New Years Eve. When it got to the point where price activity started to go almost parabolically higher, it was unlikely it could last much longer.



While canola didn't participate fully in this upside, the up draft in oilseed prices did bring canola right back to the top end of the long-term trading range for the nearby futures contract. Once US soybean oil and European rapeseed futures started to drop, it was a high probability sign that canola was going to fall as well. Canola certainly felt this gravitational pull as it turned around and headed lower from that level, right on schedule. Canola has dropped \$20/tonne in the past week.

Bottom line, based on the current price pattern, the tone is likely set for vegetable oil prices for the next few weeks or even the next couple of months. New crop canola pricing opportunities will develop over the coming months so for commodity market analysis and revenue management strategies, connect with me at 844-982-0011 or commodity-options.ca.

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