



ADM Investor Services, Inc.

# ADM Investor Services Market View

## May 27, 2020 by Steve Freed

Soybeans, soyoil, corn and KC wheat traded higher. Soymeal and Chicago wheat traded lower. US stocks were higher. US Dollar was higher. Crude was lower.

### SOYBEANS

Talk that China may have bought 10-12 cargoes of Brazil soybeans for Sep-Oct offered resistance. There was hope that China would secure US soybean starting in September. Increase tension between US and China raised concern of their buying US soybeans. US Midwest 2 week forecast calls for normal to below rains and above normal temps. Most feel the warmer temps could help crops. Next week's west Midwest and plains ridge is not expected to last. It could be a dirty ridge that will allow rains to move across the north and east Midwest. There though could be gradual drying in NE, KS, MO and the Delta later in June. 65 pct of the US 2020 soybean crop is planted. Delays are in ND, AR, OH and TN. US farmers are expected to sell a large pct of the 2020 soybean crops. Key resistance is near 8.75 SX. Soybean open interest continues to increase. Trade volume remains low. SN is over 20 day and testing 50 day.

### July soybean futures chart



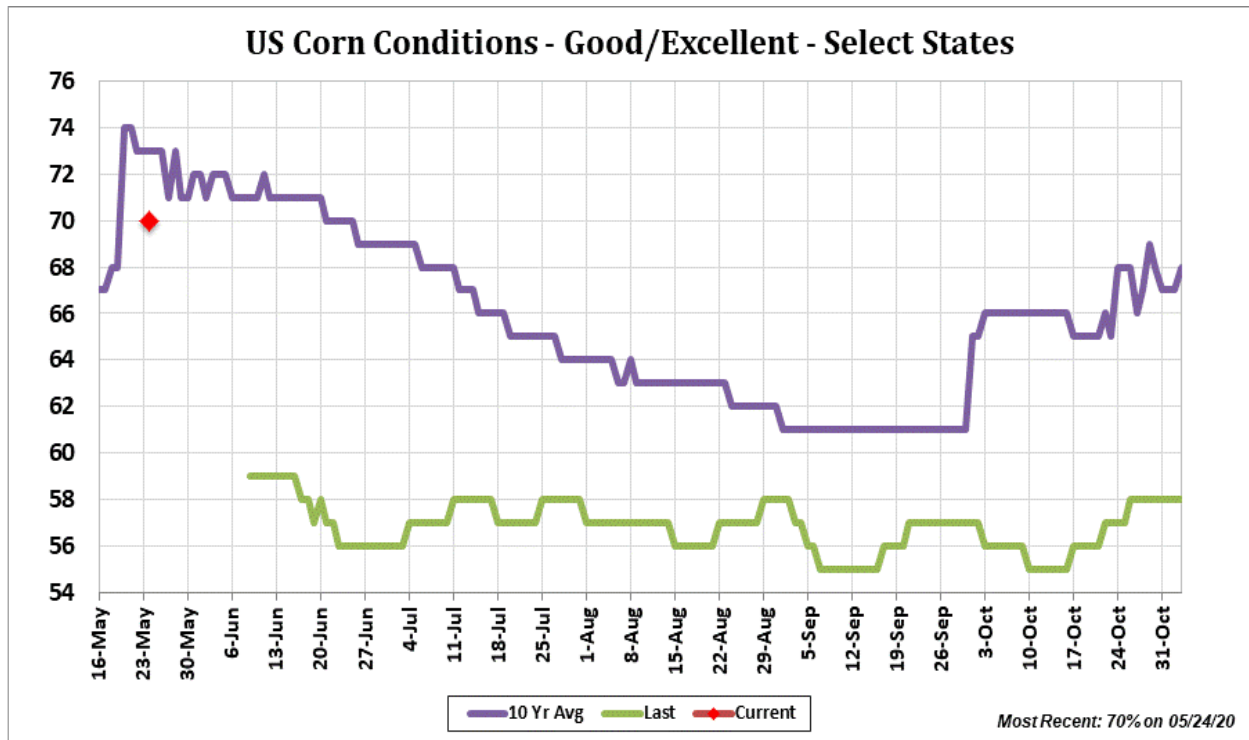
Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.



# ADM Investor Services Market View

## CORN

Corn futures remain range bound. Steep drop in domestic ethanol demand has weighed on corn prices. Talk of higher US/World corn supply and ending stocks also limits gains. Weekly US energy data was delayed until tomorrow. Ethanol production is expected to see small gains. Stocks could see small drop. Crude oil futures traded lower on talk Russia could ease production cuts. US Midwest 2 week forecast calls for normal to below rains and above normal temps. Most feel the warmer temps could help crops. Next week's west Midwest and plains ridge is not expected to last. It could be a dirty ridge that will allow rains to move across the north and east Midwest. There though could be gradual drying in NE, KS, MO and the Delta later in June. Trade needs to decide if this change to warmer temps is enough to add a price premium to corn. Managed funds are short near record corn futures and options. 88 pct of the US 2020 corn crop is planted and rated 70 pct good/ex. Best crops are in MN, IA, NE and SD. Delayed crops are in IN, MO OH and ND. US 2 week weather forecast should be mostly favorable for the crop. Most look for lower corn prices which should eventually forces farmers to store a large pct of the 2020 crop.



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.



ADM Investor Services, Inc.

# ADM Investor Services Market View

## WHEAT

Wheat futures closed mixed. Talk of higher US 2020 SRW crop and concern about lower demand offered resistance to Chicago wheat. Talk of warmer and drier US south plains weather as crop enters final phase of maturity offered support to KC. There was some talk that warmer and drier weather could reduce US HRW crop. Some feel recent rains and cooler temps have helped most of the KS and OK crop. CO, SW KS and OK panhandle crops will be down from average. USDA increased weekly US winter wheat crop ratings 2 pct to 54 pct good/ex. Talk of lower Ukraine wheat, French wheat, UK and German wheat and Russia wheat supplies could offer support to prices. Funds are record long Matif wheat futures. US grocery demand remains strong. Restaurants are slowly reopening where possible. GA, TX and FL open table bookings are growing and well above virus cases. Wheat futures continue to trade near season lows. Trade volume remains low. Open interest is increasing.

July Chicago wheat futures chart



Open an Account  
with ADMIS

Learn how to better manage risk  
exposure and hedge business activities.  
Visit [admis.com](http://admis.com) or call 1.800.243.2649



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.