



ADM Investor Services, Inc.

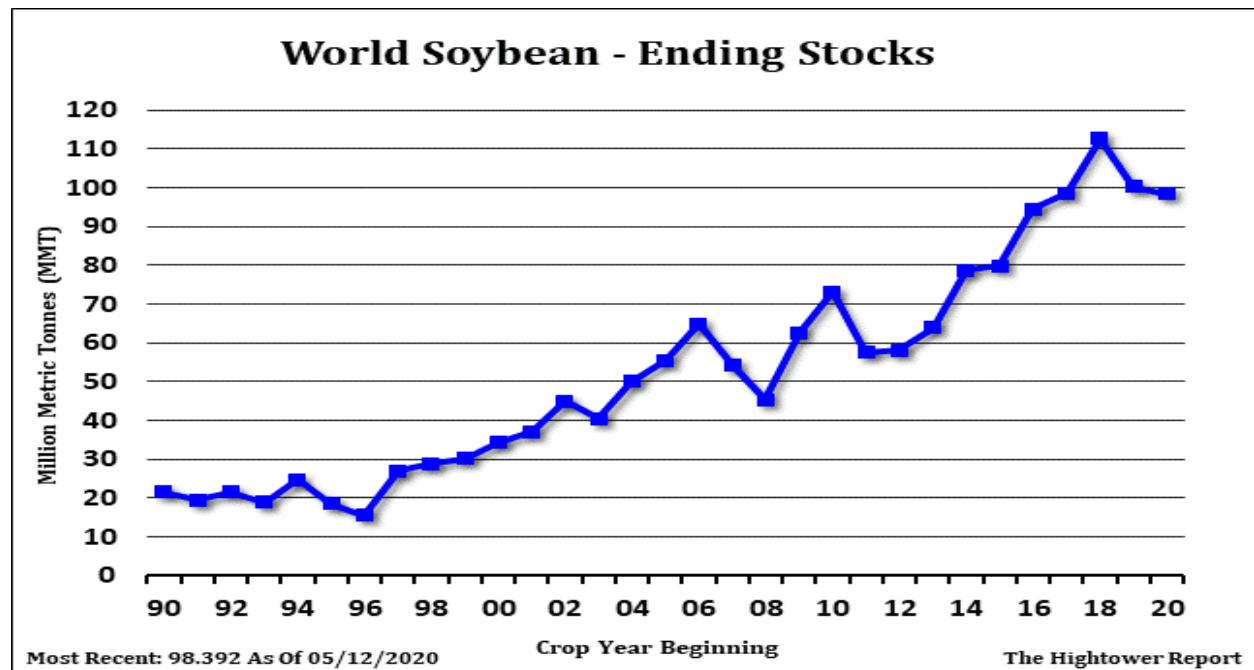
# ADM Investor Services Market View

June 10, 2020 by Steve Freed

Soybeans, soymeal and wheat traded higher. Soyoil and corn traded lower. Trade volume was down in front of Thursday USDA monthly supply and demand report. US stocks were mixed. US Dollar was lower. Crude traded higher.

## SOYBEANS

Soybean futures found support on talk that USDA could keep US 2020/21 soybean carryout near 420 mil bu and talk of new China buying a few US soybean cargoes. Drier US Midwest 2 week weather forecast could also be supportive. Weekly US soybean export sales are estimated near 400-900 mt old crop versus 495 Last week and 300-800 mt new crop versus 607 last Week. Overnight, parts of MO, IA and N IL saw good rains. NWS 6-10 day forecast is warm and dry. NWS 8-14 day forecast calls for hot and dry weather. World weather looks for a warm and dry US Midwest July. Others could see more of a warm and wet July. Actual US Midwest weather could be the difference between soybean futures dropping below 8.00 or rallying over 9.00. USDA is expected to keep US 2019/20 soybean carryout near 580 and 2020/21 soybean carryout near 405 on tomorrows report. Some could see them raise to 2020/21 carryout 20 mil bu due to lower demand.



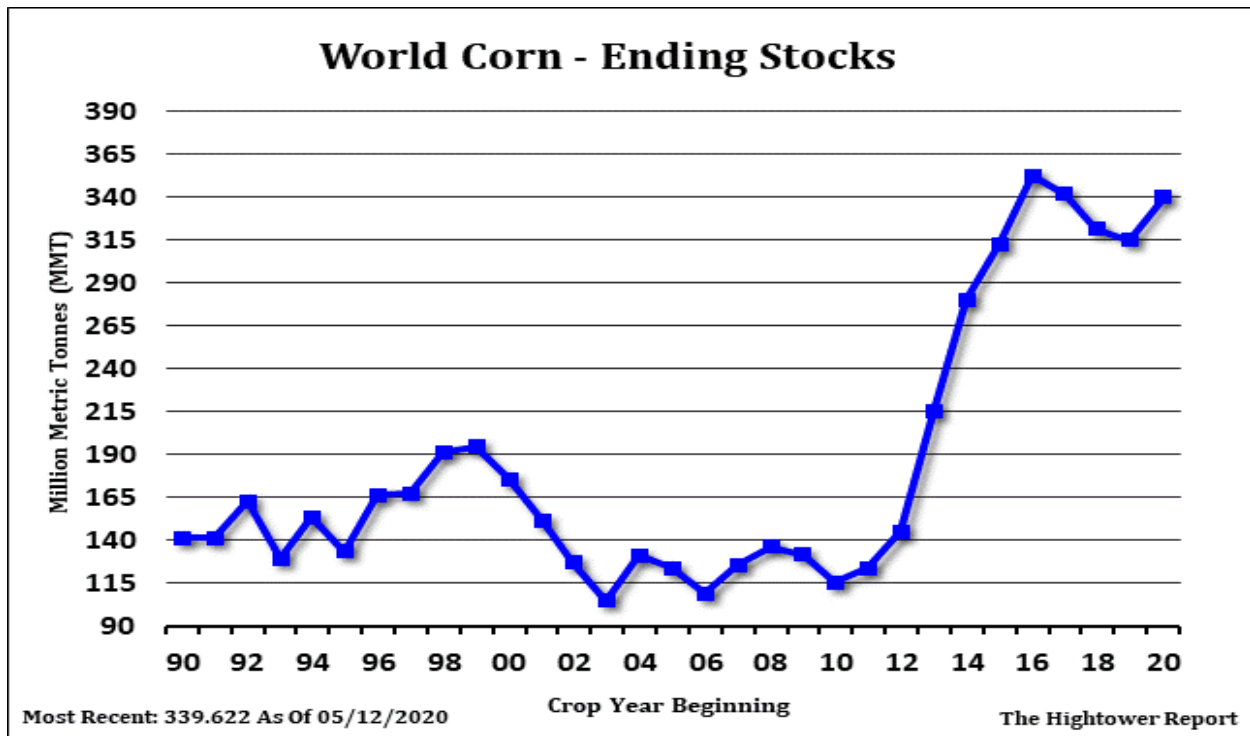
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## CORN

Corn futures traded slightly lower on low volume and in front of tomorrow's USDA US and World supply and demand report. After the report the most important fundamental will be US summer weather and impact on final US 2020 corn crop. Funds were sellers of 2,000 corn contract. They are estimated to be net short 274,000 contracts. Historically, corn futures tend to make tops on June 12. Weekly US ethanol production was up 9 pct from last week but is still down 24 pct from last year. Stocks were down from last week and were unchanged from last year. Margins remain negative. US farmer remains a slow seller of corn but best basis is to processors. US farmer has a lot of old crop and new crop corn yet to sell. Overnight, parts of MO, IA and N IL saw good rains. NWS 6-10 day forecast is warm and dry. NWS 8-14 day forecast calls for hot and dry weather. World Weather looks for a warm and dry US Midwest July. Others could see more of a warm and wet July. Actual US Midwest weather could be the difference between corn futures dropping below 3.00 or rallying over 4.00. Corn futures remain stuck in a 3.20-3.40 trading range. Higher World and US supply and lower US ethanol demand limits the upside.



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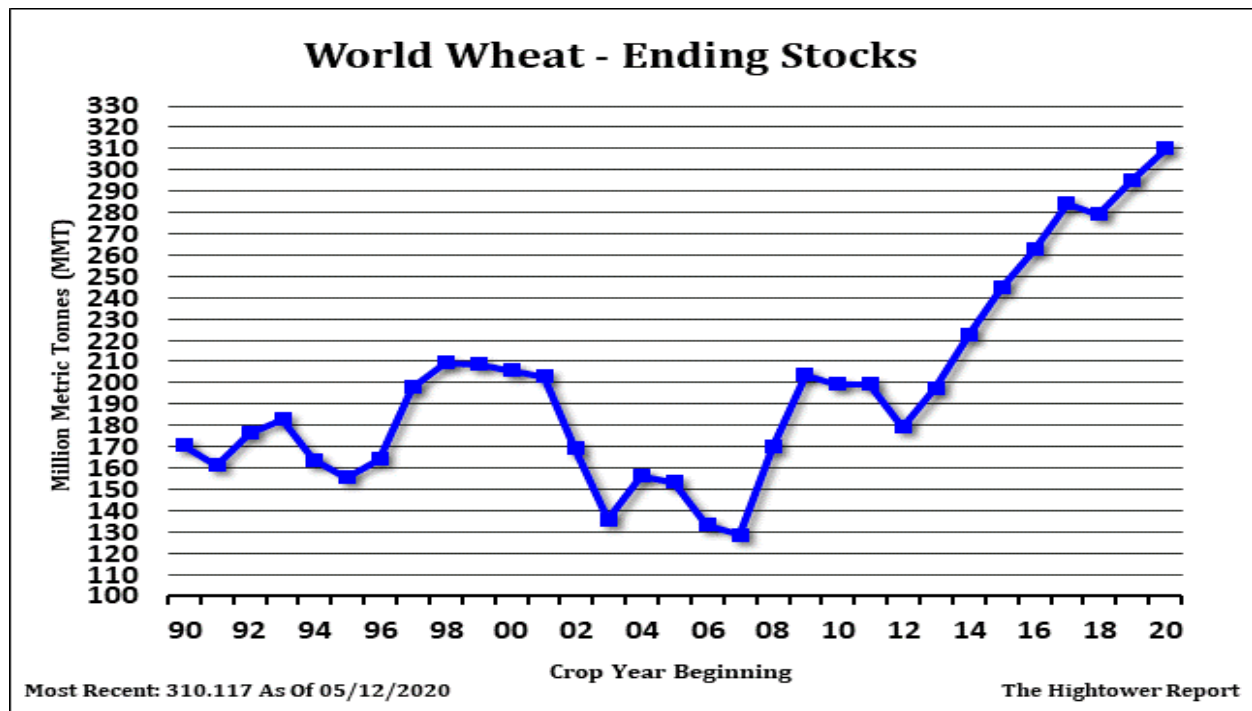


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## WHEAT

Wheat futures traded slightly higher in front of tomorrow's USDA June monthly US and World supply and demand report. There has been some talk that USDA could drop their estimate of Europe and Black Sea crop production. Russia, Ukraine and Kazakhstan weather forecast is dry. Still the changes may not be enough to lower World record wheat stocks enough to push futures higher. USDA could raise their estimate of the 2020 Australia crop. US HRW harvest is underway. Early yield are near expectation, test weight is high But protein could be below expectations. US south plains looks dry and perfect for harvest. Weekly US wheat export sales are estimated near 200-800 mt versus 616 last week. Egypt bought Russia wheat. SocEcon increase Russia 2020 grain crop to 128.6 mmt versus 126.3 and the wheat crop to 82.6 versus 81.2. Russian wheat prices continue to trend higher due to tight old crop supply. Wheat found resistance near 5.10 WN.



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