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ADM Investor Services Market View

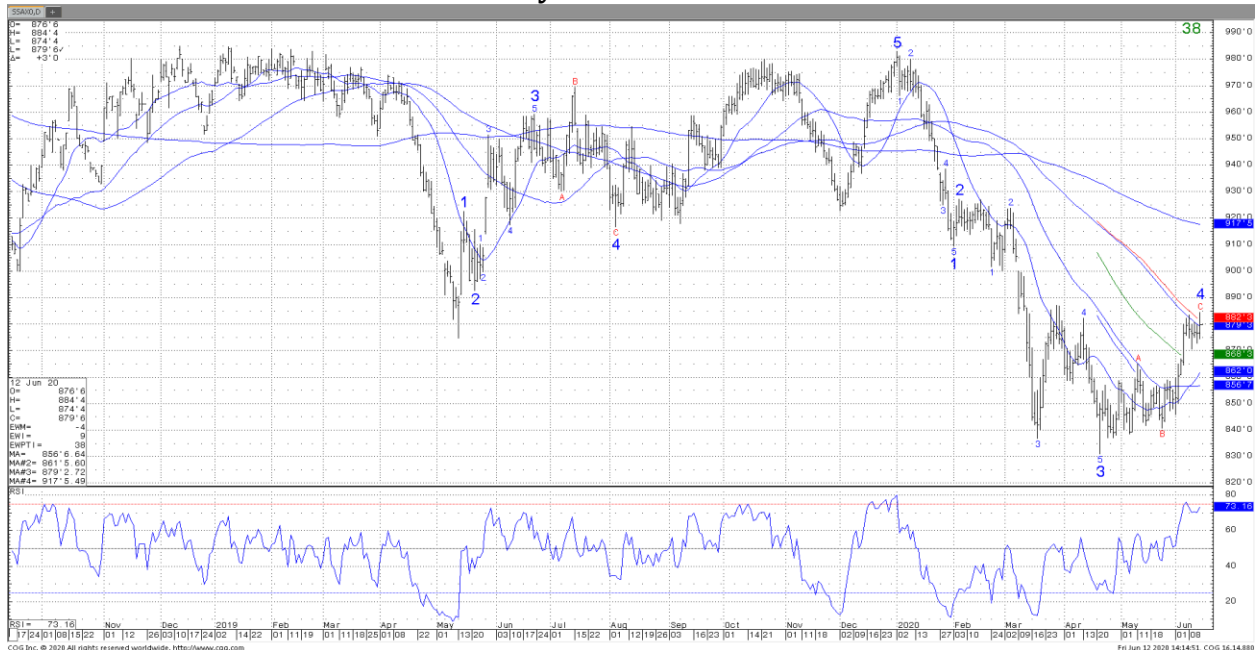
June 12, 2020 by Steve Freed

Soybean futures traded higher. Corn futures were unchanged. Wheat also traded higher. US stocks made small gains after Thursdays big drop. US Dollar traded higher.

SOYBEANS

Soybean futures managed gains on technical buying and another day which USDA reported new US soybean sales to unknown. This week US soybean crop ratings improved. Both weekly old crop and new crop US soybean export sales were better than expected. USDA dropped US 2019 soybean crop 5 mil bu. They also raised the soybean crush 15 mil bu and dropped exports 25. This left US 2019/20 carryout near 585. Some could see carryout closer to 630. USDA continues to estimate US 2020 soybean crop near 4,125 mil bu and a trend yield of 49.8. Some feel final acres could increase 1.5million acres and current crop conditions suggest a yield closer to 51.0. USDA estimates total 2020/21 US soybean demand near 4,330 mil bu versus 3,891 this year. Some feel final carryout could be closer to 575 than USDA 395. This could take Nov below 8.00. US NOPA May soybean crush will be out Monday. Average guess is 173 mil bu versus 155 last year. This week, US farmer increased cash soybean sales.

November soybean futures chart



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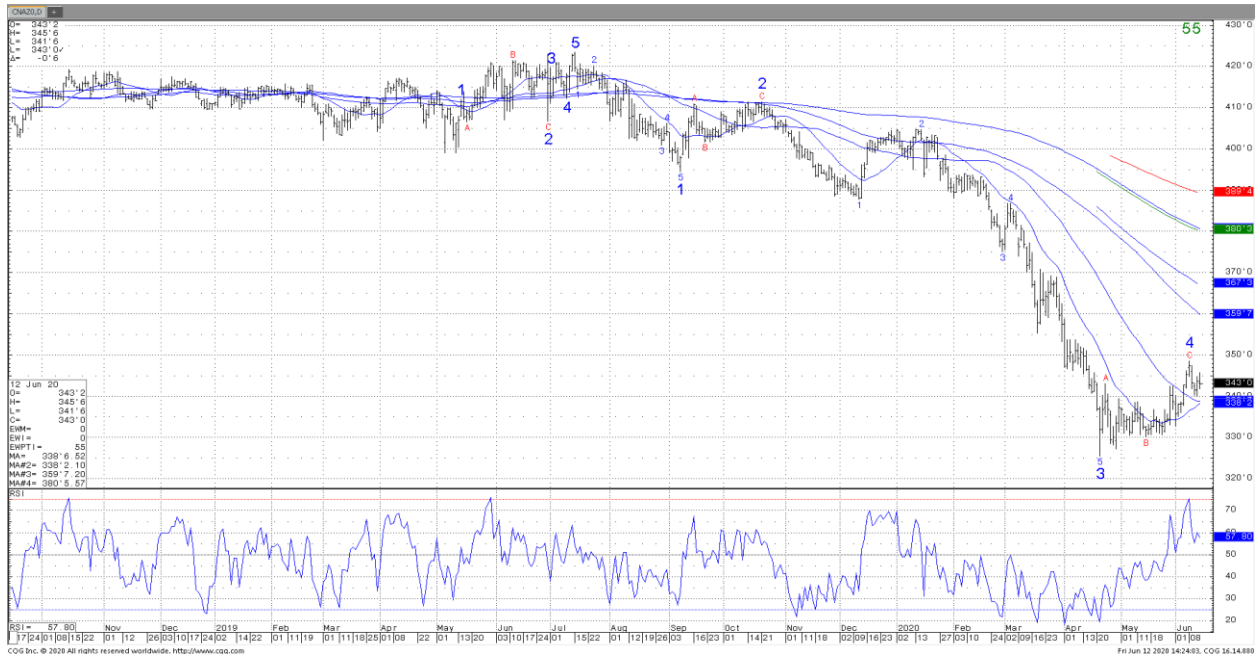


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CORN

Corn futures traded unchanged. July corn futures continue to trade in a narrow range. US supply and carryout numbers are bearish. Lack of US farmer selling and still uncertain US summer weather offers support. Large Managed funds new futures short could also help prices if there is ever any reason for them to cover. This week US corn crop ratings improved. Weekly export sales were less than expected. There will be stiff competition for US export from competing exporters. USDA estimated US 2019/20 corn ethanol demand down 50 mil bu to 4,900 versus 5,378 last year. Some feel ethanol demand could be down another 200-300 mil bu. USDA also left US corn exports near 1,775 versus 2,065 last year. This suggest US 2019/20 corn carryout near 2,103 mil bu. USDA also estimated US corn crop at 15,995 mil bu and a trend yield of 178.5. Some feel final acres could drop from 97.0 but final yield could be above trend. USDA estimates US 2020/21 corn demand near 14,800 versus 13,780. Some feel that may be high. Most are looking for a US 2020/21 corn carryout near 3,800 versus USDA 3,323. This could send Dec corn below 3.00. After the USDA June US/World supply and demand report market will focus on economic headlines and weather. US Midwest should be dry over the next 10 days. Temps start cooler than normal but warm later next week. Todays extended 2 week forecast suggest temps remain warm but do show some rains. This will be key to crops and prices.

December corn futures chart



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WHEAT

Wheat futures traded lower this week after USDA increased US 2020 wheat crop and raised World wheat end stocks. Prices firmed today on some short covering going into the weekend. US HRW harvest in done in OK and now moving into KS. OK yields were near expectations. Test Weight was high but protein was lower than expected. Clear weather should help advance harvest. US farmer so far has been a slow seller of the crop. Weekly US spring wheat crop ratings improved. Weekly US wheat export sales were lower than expected. Russian export prices continue to trade higher. Russia weather forecast is dry. USDA increased World 2020/21 wheat crop to 773 mmt versus 768 previous. They also increased World wheat trade to a record 188.8 mmt. Still they increased World end stocks to a record 316 mmt. This dropped WN below 5.00. Next support is 4.70. Some feel fact most of the increase was in non-export countries of China and India could offer support later.

Chicago December wheat futures chart



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