



ADM Investor Services, Inc.

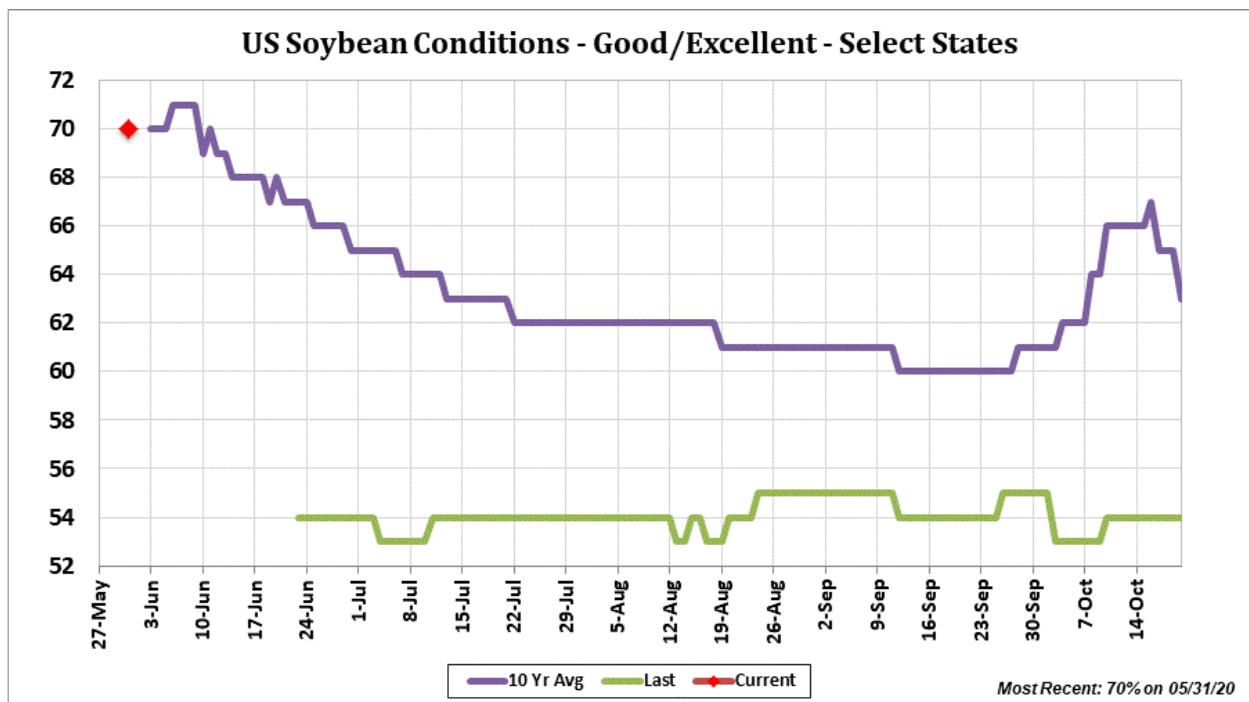
# ADM Investor Services Market View

June 2, 2020 by Steve Freed

Soybeans, soymeal and soyoil traded higher corn traded slightly higher. Wheat traded lower. US stocks were higher. Crude was higher. US Dollar was lower.

## SOYBEANS

Soybeans traded higher. Fact USDA announced new soybean sales to China has helped rally soybeans. There is talk China may have bought a total of 10 US soybean cargoes yesterday. There is still a lot of questions about how much US soybean China will buy but traders feel Phase 1 deal could be ok for now. Drop in global food, feed and fuel demand continues to offer resistance to grain prices. USDA rated the US soybean crop 70 pct good/ex. This was higher than expected. Best crops are in MN, IA, NE and SD. USDA estimated soybean plantings near 75 pct. Delays are in OH, ND, MI and the Delta. USDA is using a trend yield of 49.8 versus 47.4 last year and 50.6 in 2018. There continues talk that USDA could be 50-100 mil bu too high in their estimate of US soybean exports. This could increase US carryout from 580.



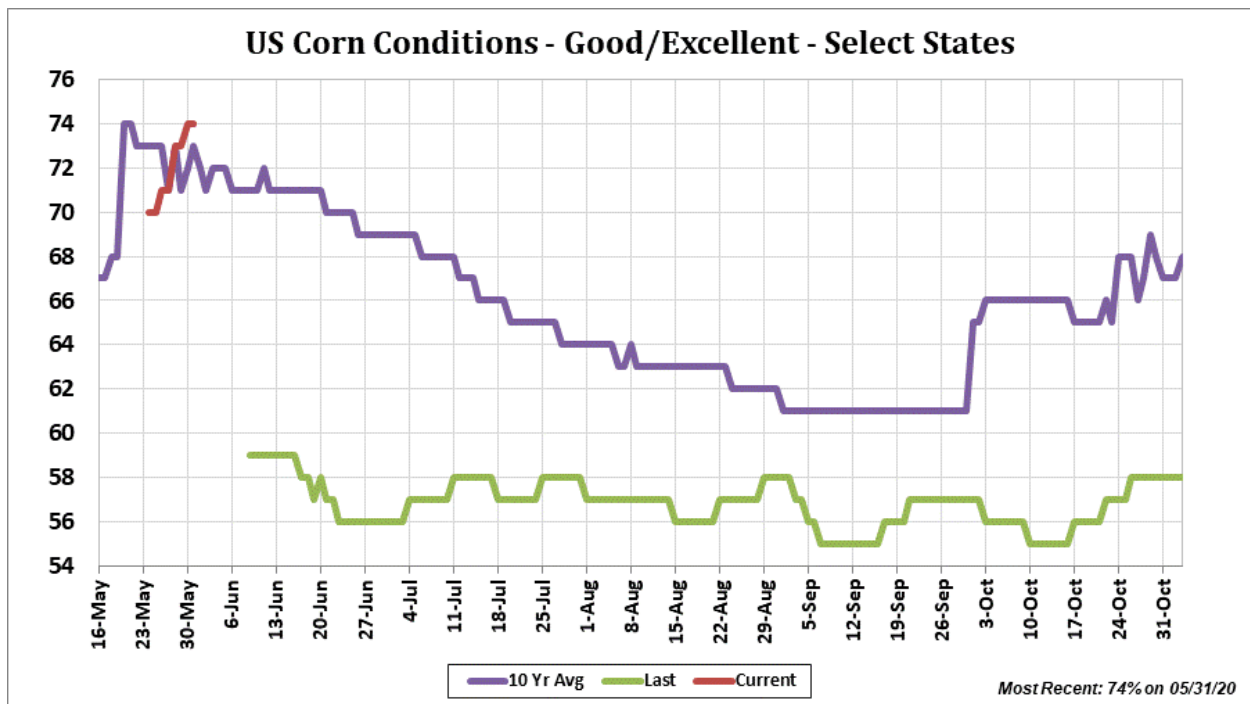
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## CORN

Corn traded both sides of unchanged. USDA rated the US corn crop 74 pct good/ex. This is up from last week. Best crops are in MN, NE, IA and SD. Some private groups estimate US 2020 corn yield could be as high as 186 bpa. USDA trend yield is 178.5. That could add 650 mil bu to the USDA crop size and their crop estimate of 15,995 mil bu. Last year's crop was 13,663. Next USDA report will be June 11. Key to corn could be if the raise the yield and fact they should lower ethanol demand. US 2 week Midwest weather forecast starts warm and dry. Tropical storm in US Gulf could bring rains and cooler Midwest temps. This should be ideal for US summer crops. Key could be June rainfall. Normal will help crops during summer. Dry June could reduce soil moisture and crops could be stressed if July/August weather is drier than normal. Managed funds continue to be large net shorts corn futures and option. Trade volume remains low. Open interest is going higher. US farmer is not selling. Recent July corn range has been 3.20-3.27. Broader range is 3.00-3.40. It will take a weather problem to move prices higher. Some feel normal US summer weather and Dec corn could trade below 3.00.



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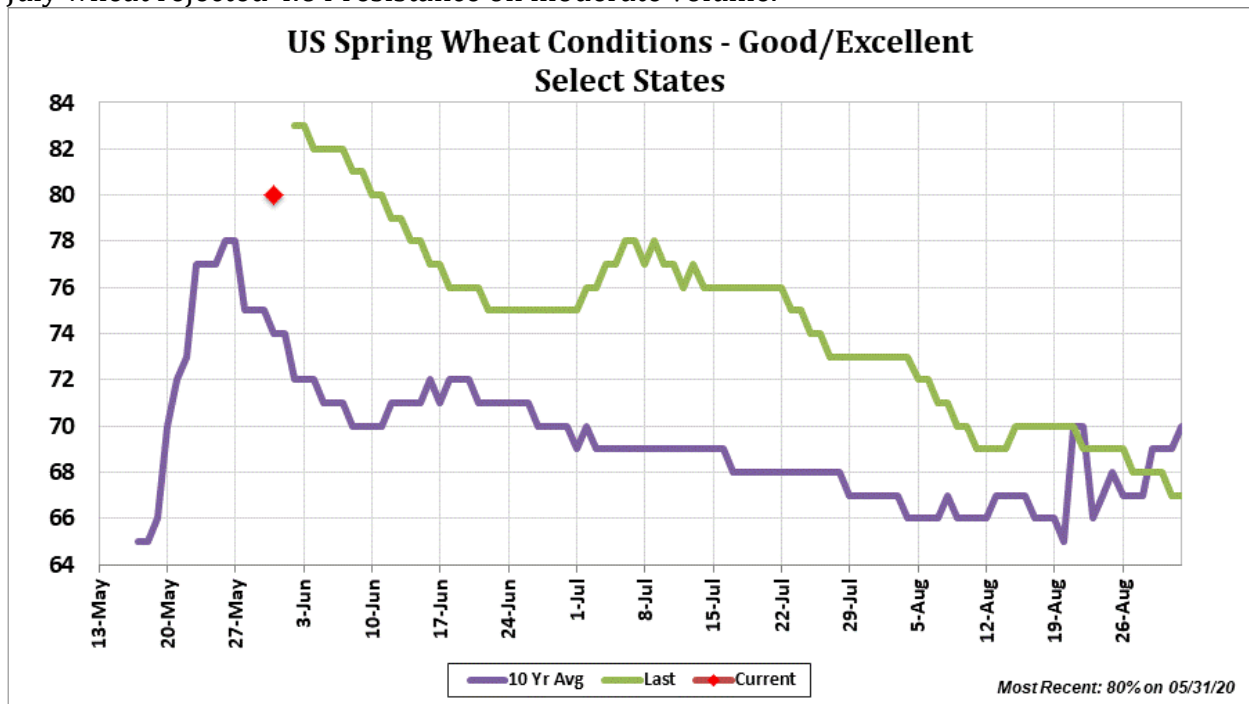


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## WHEAT

Wheat futures traded lower. Improved World wheat weather and crop outlook is weighing on futures. Egypt bought Ukraine wheat in their tender. It was lowest price. Some will find it interesting with Ukraine wheat crop down due to dry weather. US 2 week Midwest weather forecast starts warm and dry. Tropical storm in US Gulf could bring rains and cooler Midwest temps. This should be ideal for US summer crops. Key could be June rainfall. Normal will help crops during summer. Dry June could reduce soil moisture and crops could be stressed if July/August weather is drier than normal. USDA estimated that 3 pct of the US winter wheat crop is harvested. The crop rating was lowered to 51 pct good/ex. Crops are below average in AR, CO, KS,OK,OR and TX. Crops are above average in WA, SD, OH and NE. USDA rated the US spring wheat crop 80 pct good/ex versus 74 last year. July Chicago wheat trade back below support. Open interest is declining. KC July wheat rejected 4.64 resistance on moderate volume.



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