



ADM Investor Services, Inc.

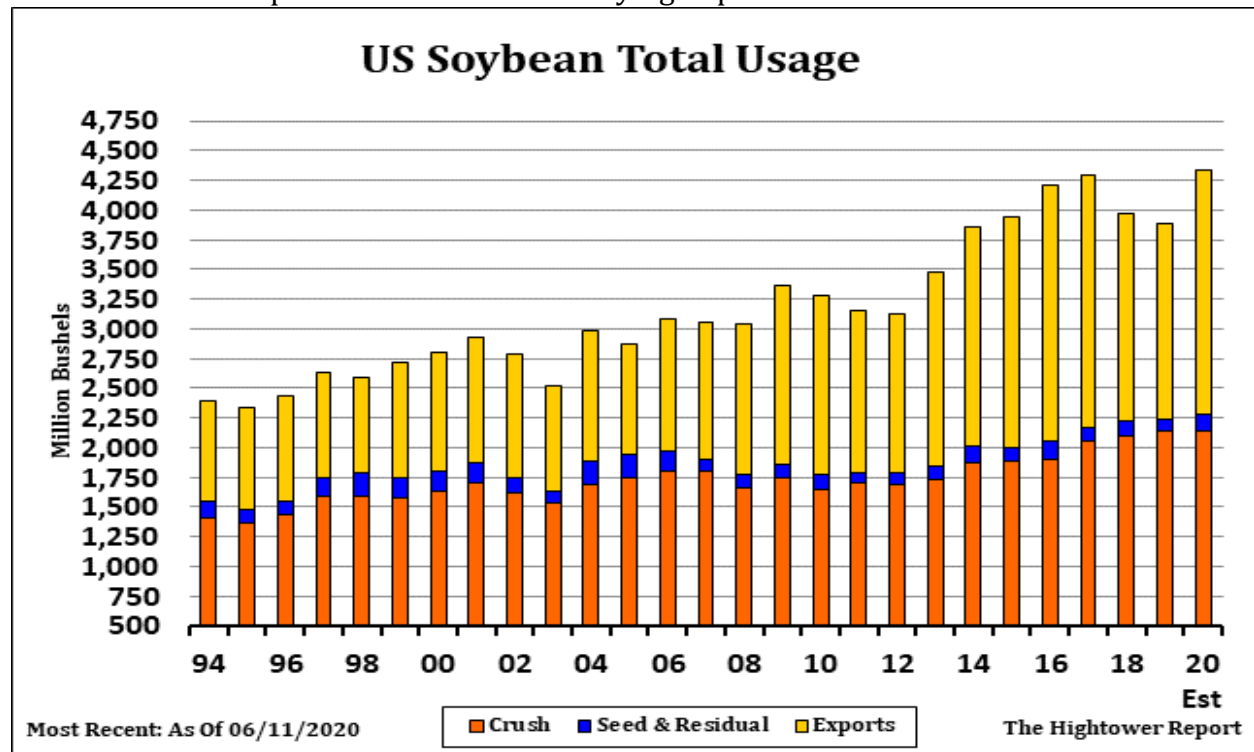
ADM Investor Services Market View

July 8, 2020 by Steve Freed

Soybeans and soyoil traded lower. Corn and wheat traded higher. US stocks were mixed. US Dollar was lower. Crude was higher. Gold was higher.

SOYBEANS

Soybean traded lower. Some feel managed funds are reducing their net long due to a more favorable US Midwest 7 day weather forecast and in front of Fridays USDA supply and demand report. Lack of new US soybean sales to China may also be offering resistance to prices. This week, soybean futures tested key resistance and failed to trade above. This may have also triggered some long liquidation. On Friday, USDA could drop US 2019/20 soybean demand and raise the carryout. USDA is expected to keep US 2020/21 soybean numbers unchanged. Weekly US old crop soybean export sales are estimated near 300-800 mt versus 241 last week and new crop 400-1,000 mt versus 841 last week. US soybean export prices are competitive to China but tension between US and China raises concern about China buying. Sep soybean futures appear to be in an 8.80-9.00 trading range. Will need a US weather problem or new China buying to push futures above resistance.



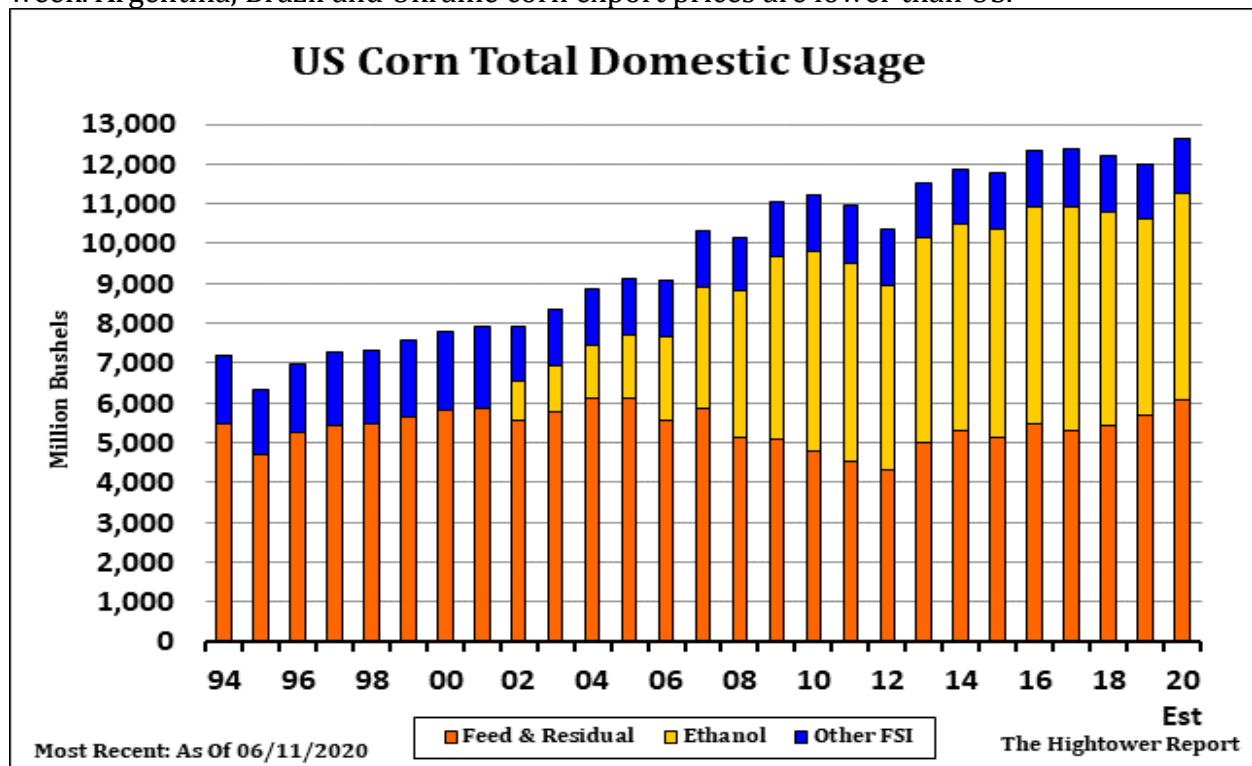
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CORN

Corn futures managed small gains. Some feel uncertain US Midwest weather limits a big price move up or down. Over the last week, Corn futures may be trading a more normal reaction to corn news than before the USDA acreage report. Before the report, many Technicians complained that the funds were too short and futures were oversold. After the report funds liquidated a big part of their net short. On Monday, some technicians suggested that market had become overbought and needed a correction. A wetter US Midwest 7 day forecast offered timely resistance. Drier 2nd week forecast could help futures push above recent highs. Weekly US ethanol production was up 1.5 pct from last week but still down 12.7 pct from last year. Stocks actually increased 2 pct from last week but are down 10 pct from last year. Margins dropped. Trade expects increase trade volume and volatility after USDA supply and demand report on Friday. Biggest change could be drop in US 2020 corn acres and carryout. USDA could also drop their estimate of US corn exports due to slow pace of exports versus expectations. Weekly US old crop corn export sales are estimated near 300-600 mt versus 361 last week and new crop 150-500 mt versus 262 last week. Argentina, Brazil and Ukraine corn export prices are lower than US.



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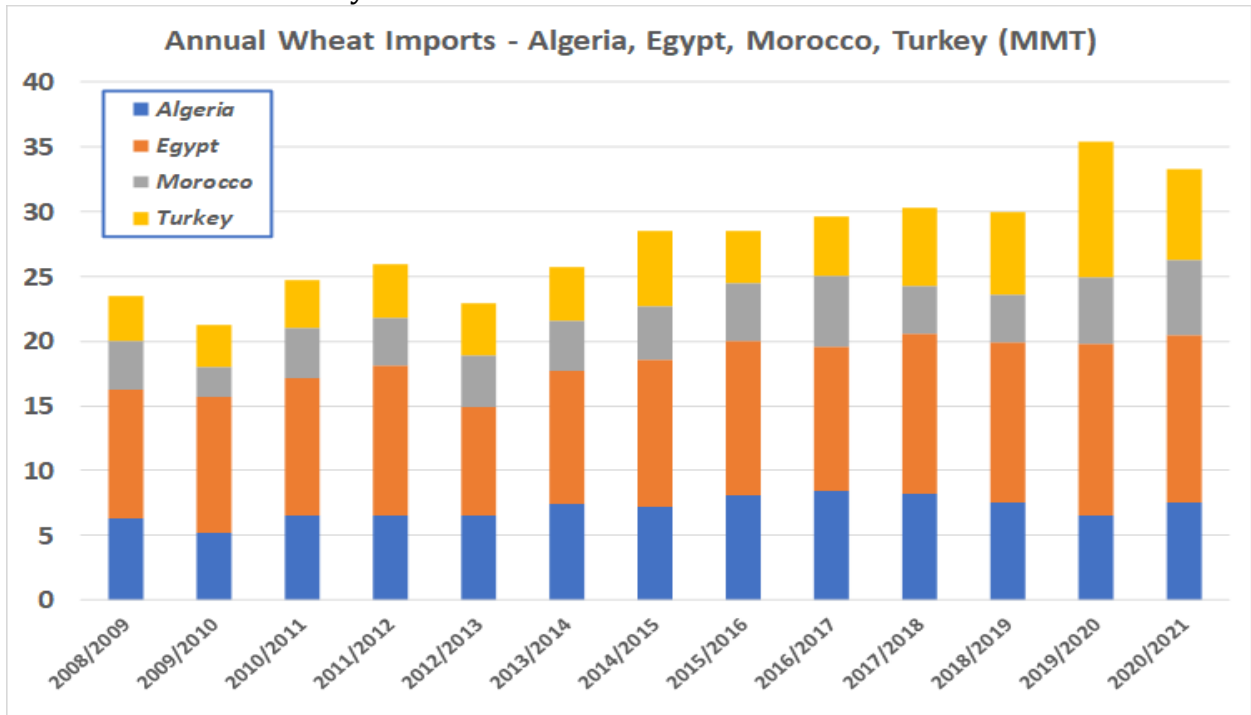


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WHEAT

Wheat futures traded higher. The big jump in futures lacked any news of new US export business. US SRW domestic wheat basis firmed where harvest is done. Continued talk of lower West Europe and Russia crops helped rally French and Black Sea futures which may have triggered short covering in US futures. USDA currently estimates World 2020 wheat crop at 773 mmt versus 764 las year. Europe crop is estimated near 141 mmt versus 154 last year. Russia crop is estimated near 77 mmt versus 73 last year. Despite the drop in EU and Russia crops from last year, USDA is still forecasting record end stocks near 316 mmt versus 295 last year. Weekly US wheat export sales are estimated near 200-550 mt versus 414 last week. Russia export prices are cheaper than US. Concern about World wheat trade could add to World supplies. USDA is estimating World 2020/21 wheat trade near a record 188 mmt versus 184 last year.



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