



ADM Investor Services, Inc.

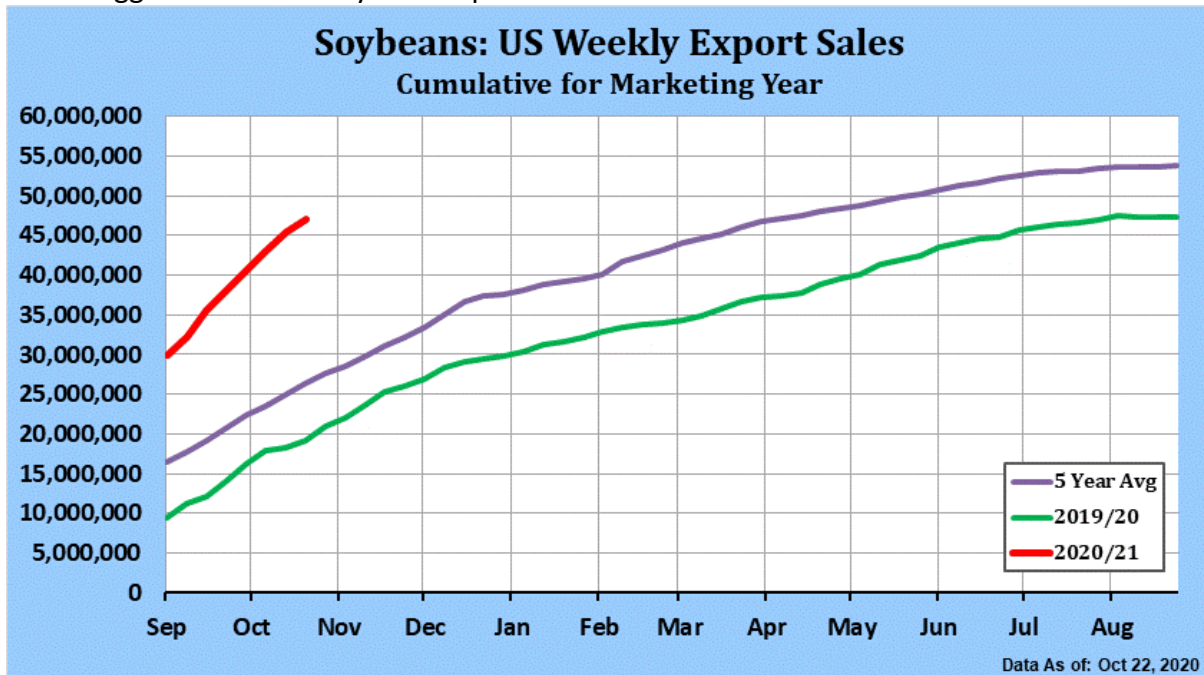
ADM Investor Services Market View

October 29, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soyoil, corn and wheat are lower. Soymeal is slightly higher. US stocks are higher. US Q3 GDP at +33.1 pct was better than expected. US Dollar is sharply higher. Crude is lower.

SOYBEANS

Soybean traded lower on lack of new US soybean sales to China and liquidation of Nov open interest before first notice day. Asian vegoil market were lower. Dalian Soybean futures were higher. Weekly US soybean export sales were near 1.60 mmt versus 1,000-2,000 mt expected. Total commit is near 46.9 mmt versus 19.1 last year. USDA estimates US soybean exports near 59.8 mmt versus 45.6 last year. China total soybean commit is near 26.0 mmt with 10.5 in unknown. US soybean meal export sales were 199.3m, bringing commitments to 4.1 mmt vs 3.9 last year, up 235.0 mmt. USDA is forecasting a 362m decrease in 2020-21. US soybean meal exports with their estimate of 13.500 million tons, which appears conservative. Soybean open interest has dropped 100,000 contracts. SX support is near 10.40. Resistance is near 11.00. Some feel tight old crop South America soybean outlook and talk of higher demand for US soybeans could push prices higher. Another 6-8 weeks of China interest in US soybean could suggest record US soybean exports to China.



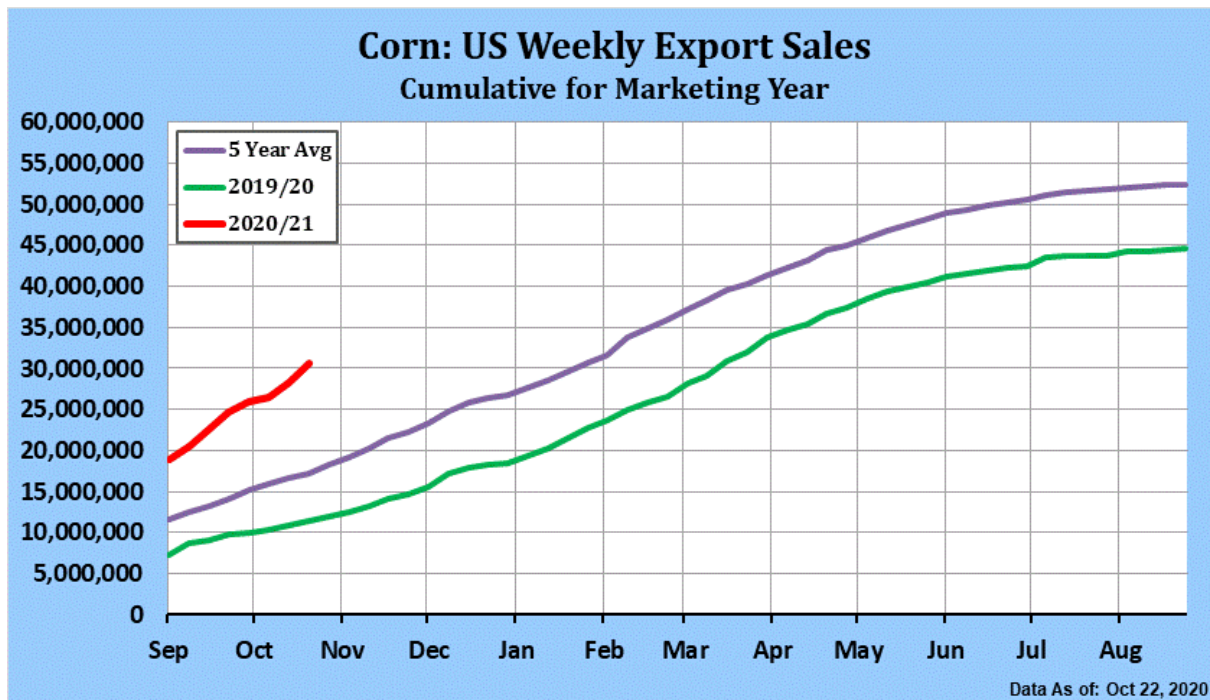
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CORN

Corn futures traded lower. Higher US Dollar offset better than expected weekly US corn export sales and big corn sales to Mexico. CZ range was 3.93-4.04. Managed funds sold 1,000 corn. They sold 52,000 corn contracts yesterday. We estimate Managed funds are net long 192,000 corn. Normally Managed funds take 3-4 days to exit existing positions. Most feel this is more risk off liquidation than a fundamental change in supply and demand outlook. Most feel one should not chase this down market. Most feel prices could turn higher assuming China buying corn and South America old crop supplies remain tight. US Midwest 2 week forecast calls for normal to above temps and below normal rains. Noon weather maps eliminated the forecasted Argentina rains. This could be the first sign of La Nina influenced Argentina weather. versus 1,831 last week. Weekly US corn export sales were near 2.24 mmt versus 700-1,500 mt expected. USDA announced 1,432 mt mt US corn to Mexico.. USDA also announced 140 mt US corn to unknown. Total commit is near 30.5 mmt versus 11.4 last year. USDA estimates US corn exports near 59.0 versus 45.1 last year. At their Annual data meeting WOB defended their China corn import number. They said China could cancel open corn sales. They said they will not change the number until China offers additional TRQ for corn imports. China total corn commit is near 10.5 mmt with 4.4 in unknown. The International grains Council trimmed its forecast for global corn production by 4 million tons. They cut Ukraine corn crop to 33 million tons as compared with the USDA projection at 36.5 million.



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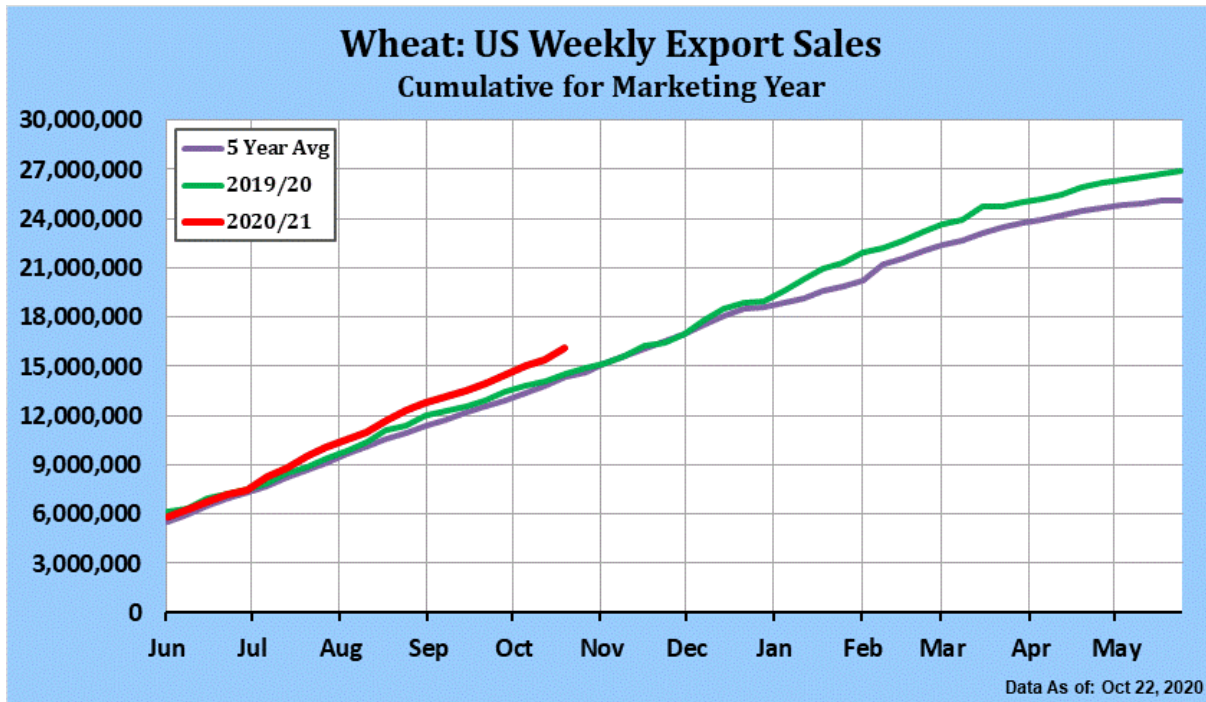


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WHEAT

Wheat futures traded lower. Higher US Dollar and lower commodity prices weighed on Wheat prices. Wheat futures have rallied on concern over Russia and US winter wheat crop conditions. Recent rains across portions of the dry areas has pulled futures back to key levels of support. Managed funds sold 2,000 wheat. We estimate Managed funds are net long 32,000 wheat. Normally Managed funds take 3-4 days to exit existing positions. Most feel this is more risk off liquidation than a fundamental change in supply and demand outlook. Most feel one should not chase this down market. Weekly US wheat export sales were near 743 mt versus 200-700 mt expected. Total export commit is near 16.1 mmt versus 14.5 last year. USDA estimates US wheat exports near 26.5 mmt versus 26.2 last year. The International Grains Council raised its forecast for wheat production by 1 million tons to 764 million tons.



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