



ADM Investor Services, Inc.

# ADM Investor Services Market View

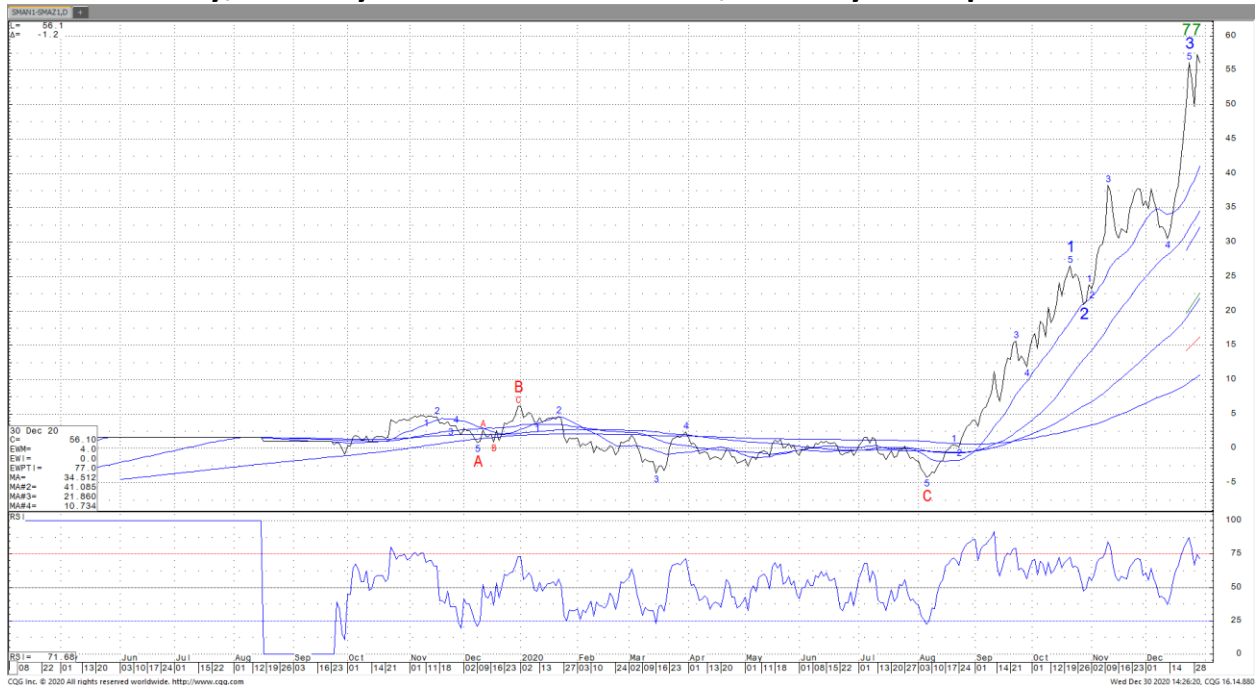
## December 30, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil managed small gains. Wheat and corn traded sharply higher. US stocks, Crude and gold were higher. US Dollar was lower.

### SOYBEANS

Soybean futures traded both sides of Tuesday close. Buying was linked to talk of lower 2021 Argentina crop and potential for higher demand for US soybeans. Selling was linked to some long liquidation and talk this weeks US soybean export sales will be lower than recent weeks. Dalian soymeal futures made new contract highs near 502.4. China soybean crush margins continue to improve. There has been talk that the 2020/21 soybean imports could be closer to 110 mmt. There is also talk that total Brazil and Argentina 2021 soybean production could be closer to 170 mmt versus USDA guess of 183. US does not have an additional 470 mil bu of soybean for export. The U.S. soybean crush in November likely totaled 192.1 million bushels. If realized, would be well above the 174.6 million bushels crushed in November last year. It would also be the largest November crush on record

### July,2021 soymeal minus December,2021 soymeal spread



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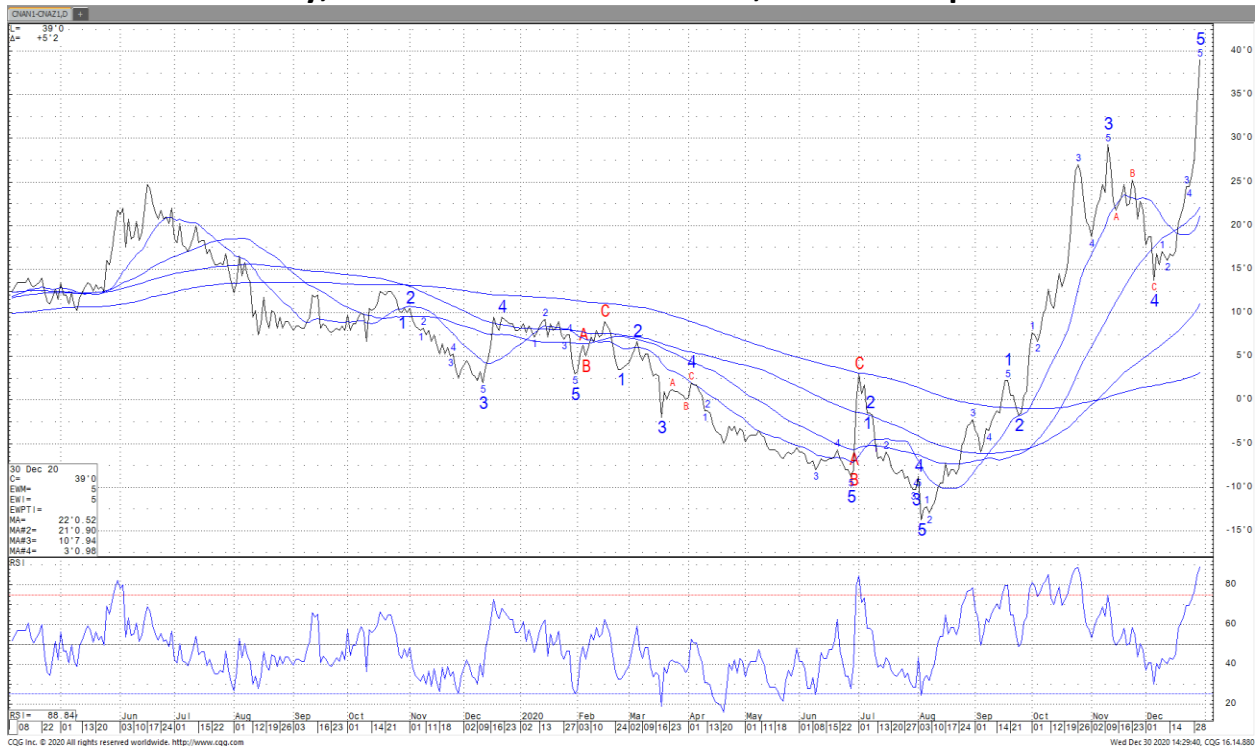


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## CORN

Corn futures closed sharply higher on increase volume. Word that Argentina had suspended 4.3 mmt (170 mil bu) of potential old crop corn exports pushed prices higher. Corn futures were already supported by talk of lower Argentina corn crop and the potential for higher US corn export demand Dalian corn futures made new contract highs near 10.52. There has been talk that the 2020 corn crop may be 30-35 mmt below USDA last guess. This could increase demand for imports. Some feel they could take 20-25 mmt imports versus USDA last guess of 16. There is also talk that total Brazil and Argentina 2021 corn production could be closer to 146 mmt versus USDA guess of 159. US does not have an additional 500 mil bu of corn for export. Weekly US ethanol production was down 4 pct from last week and down 12 pct from last year. Stocks were up 1 pct from last week and up 11 pct from last year. Margins remain negative. Some are looking at the rally in 2008 corn futures. Tight global and US supplies pushed nearby corn futures to 8.00. CN gained on both CU and CZ.

### July,2021 corn minus December, 2021 corn spread



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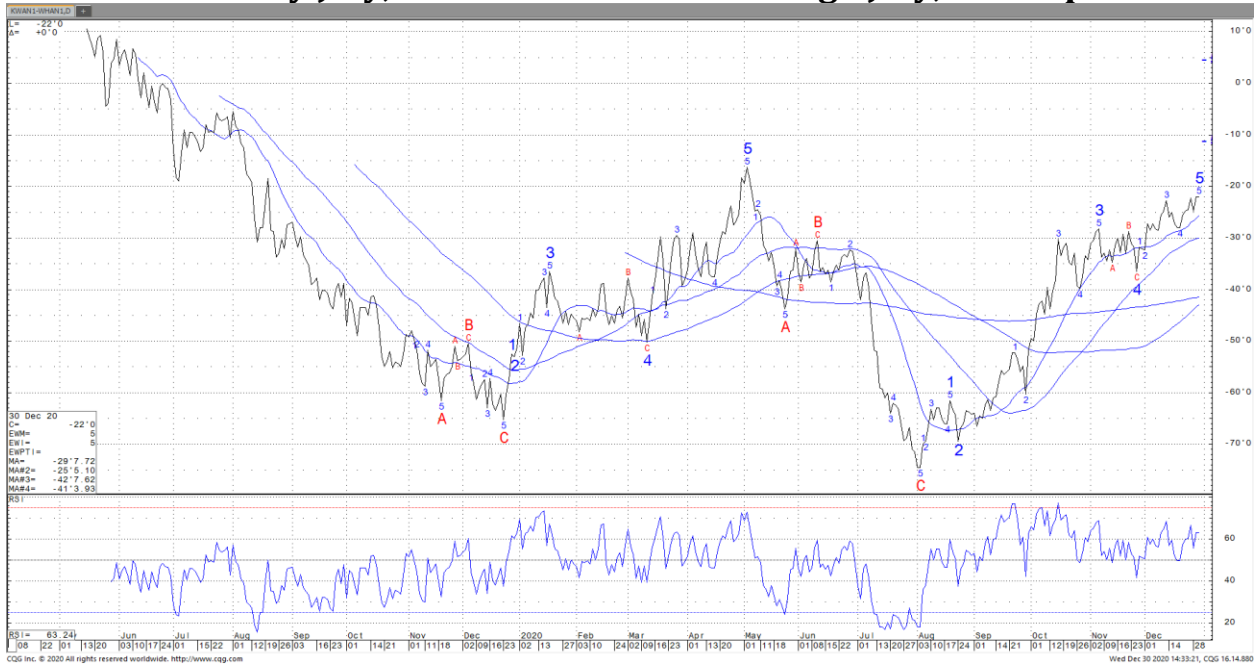
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## WHEAT

Wheat futures traded sharply higher. Word that US wheat export prices are competitive versus Europe and Black Sea triggered new buying. Some feel US wheat export prices are close to working for the Algerian tender. Would not take too much new demand for US wheat exports to tighten US SRW balance sheet. US 2020/21 HRW balance sheet is already tighter than last year. There is also talk that Russia wheat exports and EU wheat exports may be less than USDA estimate. Talk that Russia and EU wheat export may slow due to tight old crop supplies and that China wheat crop could under stress due to unseasonable colder than normal temps may have also help support gains. WH traded over recent high. Next resistance is near the Dec, 2014 high near 6.77 then the May, 2014 high near 7.35. KWH-WH spread is into -39. KWH traded over resistance. Next resistance on the weekly chart is 2018 high near 7.05. KWH is supported by talk of a drier than normal 2021 US south plains weather.

### Kansas City July, 2021 wheat minus Chicago July, 2021 spread



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