



# ADM Investor Services Market View

## January 11, 2021 by Steve Freed VP ADMIS Grain Research

Soybeans, corn and wheat traded lower. Some feel bulls may have taken some profits before USDA Jan report. Rains in South America may have also triggered some long liquidation. US stocks were lower. Crude was lower. Copper was lower. US Dollar was higher. Democratic control of Washington may be helping US Dollar.

### SOYBEANS

Soybean traded lower. Rains in parts of north and central Argentina and east Brazil may have triggered some long liquidation. Since early December, March soybean have rallied from 12.00 to today's high near 13.88. March soy meal has rallied from 400 to today's high near 447. China Dalian soy meal futures have also made new highs and are near 524. Average trade estimate for US 2020/21 soybean carryout near 139 mil bu vs USDA 175. Dec 1 US soybean stocks could be near 2,920 mil bu vs 3,252 last year. Average trade estimate for Brazil+Argentina soybean crop near 179 mmt versus USDA 183. Weekly US soybean exports were near 1.7 mmt versus 1.7 last week and 1.1 last year. Season to date exports are near 40.8 mmt versus 22.9 last year. USDA goal is 59.8 versus 45.6 last year. USDA did announce 132.0 mt US soybean sold to China. Short term, key to prices will be USDA report.

USDA Office of the Chief Economist United States Department of Agriculture				
U.S. Soybeans Supply and Demand				
Item	2019/2020 estimate	2020/2021 forecast	Change from November 10	Change from 2019/2020
Planted area (million acres)	76.1	83.1	--	7.0
Harvested area (million acres)	74.9	82.3	--	7.4
Yield (bushels per acre)	47.4	50.7	--	3.3
----- Million bushels -----				
Beginning stocks	909	523	--	-386
Production	3,552	4,170	--	618
Imports	15	15	--	0
Total supply	4,476	4,709	--	232
Crush	2,165	2,195	15	30
Seed and Residual	112	139	--	27
Domestic use	2,277	2,334	15	57
Exports	1,676	2,200	--	524
Total use	3,953	4,534	15	581
Ending stocks	523	175	-15	-348
----- Percent -----				
Stocks to use ratio	13.2	3.9	-0.3	-9.4
----- Dollars per bushel -----				
Average market price	8.57	10.55	0.15	1.98

-- No change.

December 10, 2020



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## CORN

Corn futures traded lower. Rains in parts of north and central Argentina and east Brazil may have triggered some long liquidation. Since early December, March corn has rallied from 4.20 to recent high near 5.02. China Dalian corn futures have also made new highs and are near 11.24. Average trade estimate for US 2020/21 corn carryout near 1,599 mil bu vs USDA 1,702. Dec 1 US corn stocks could be near 11,951 mil bu vs 11,327 last year. Average trade estimate for Brazil+Argentina corn crop near 155 mmt versus USDA 159. Weekly US corn exports were near 1.1 mmt versus 1.1 last week and 482 mt last year. Season to date exports are near 16.2 mmt versus 9.1 last year. USDA goal is 67.3 versus 45.1 last year. USDA did announce 108.5 mt US corn sold to Columbia. Good showers are forecasted to fall across parts of north and central Argentina. Over the next 30 days 55-60 pct of Argentina could see less than normal rains. Rains are also forecasted for east Brazil. Northeast and south Brazil could remain drier than normal over the next 30 days. Colder than normal temps are forecasted over the next 10 days for much of the US Midwest and Russia. This is not expected to stress crops there.

USDA Office of the Chief Economist United States Department of Agriculture				
U.S. Corn Supply and Demand				
Item	2019/2020 estimate	2020/2021 forecast	Change from November 10	Change from 2019/2020
Planted area (million acres)	89.7	91.0	--	1.2
Harvested area (million acres)	81.3	82.5	--	1.2
Yield (bushels per acre)	167.5	175.8	--	8.3
----- Million bushels -----				
Beginning stocks	2,221	1,995	--	-226
Production	13,620	14,507	--	887
Imports	42	25	--	-17
Total supply	15,883	16,527	--	644
Feed and residual	5,827	5,700	--	-127
Food, seed, and industrial	6,282	6,475	--	193
Ethanol	4,852	5,050	--	198
Domestic use	12,109	12,175	--	66
Exports	1,778	2,650	--	872
Total use	13,887	14,825	--	938
Ending stocks	1,995	1,702	--	-293
----- Percent -----				
Stocks to use ratio	14.4	11.5	--	-2.9
----- Dollars per bushel -----				
Average market price	3.56	4.00	--	0.44

-- No change. December 10, 2020



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# ADM Investor Services Market View

## WHEAT

Wheat traded lower. Managed funds are net sellers of 3,000 SRW Wheat. We estimate Managed Money net long 11,000 contracts of SRW Wheat. US Dollar is higher. Crude is lower. US stocks are lower. Gold is higher. Copper is lower. Index funds continue to rebalance. Uncertainty in Washington, USDA report and increase virus cases is weighing on markets. Since early December, March wheat has rallied from 5.80 to recent high near 6.64. Most of the rally was linked to concern about Russia wheat exports and expanded dryness across US south plains. Average trade estimate for US Dec 1 wheat stocks is near 1,695 mil bu vs 1,841 last year. Average trade estimate for US 2021 winter wheat acres near 31.5 mil vs 30.4 ly. Weekly US wheat exports were near 279 mt versus 475 last week and 561 mt last year. Season to date exports are near 15.3 mmt versus 15.4 last year. USDA goal is 26.8 versus 26.2 last year.

USDA Office of the Chief Economist United States Department of Agriculture				
U.S. Wheat Supply and Demand				
Item	2019/2020 estimate	2020/2021 forecast	Change from November 10	Change from 2019/2020
Planted area (million acres)	45.5	44.3	--	-1.1
Harvested area (million acres)	37.4	36.7	--	-0.6
Yield (bushels per acre)	51.7	49.7	--	-2.0
----- Million bushels -----				
Beginning stocks	1,080	1,028	--	-52
Production	1,932	1,826	--	-106
Imports	105	120	-5	15
Total supply	3,117	2,974	-5	-143
Food use	962	965	--	3
Seed	60	62	--	2
Feed and residual	101	100	--	-1
Domestic use	1,123	1,127	--	4
Exports	965	985	10	20
Total use	2,089	2,112	10	23
Ending stocks	1,028	862	-15	-166
----- Percent -----				
Stocks to use ratio	49.2	40.8	-0.9	-8.4
----- Dollars per bushel -----				
Average market price	4.58	4.70	--	0.12
-- No change.				

December 10, 2020



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