ADM Investor Services, Inc.

Monthly Commodity Futures Overview
November 2022 Edition

Grain Market Outlook for the United States and South America by Steve Freed, Vice President of Grain Research, ADM Investor Services

The following report is an overview of the US and South American economic, political and crop situations as of ***November 17, 2022.*** *This report is intended to be informative and does not guarantee price direction.*

The USDA's November report was neutral for corn, soybeans and wheat. The USDA's new estimates of the U.S. 2022 soybean and corn crop yield were slightly above both trade estimates and the USDA October guess. This suggested slightly higher carryouts. The U.S. dollar traded lower. Initially, crude oil traded higher and tested 92.50 but then dropped to 81.50.

The war in Ukraine added increased volatility to corn and wheat prices. In November, the USDA raised the U.S. 2022/23 corn carryout to 1,182 mil bu from 1,172. This was due to a larger crop. The USDA raised feed use 25 mil bu but left ethanol and export use unchanged. The fact that the Ukraine export corridor was extended another 120 days could increase Ukraine exports. The USDA estimates the 2023 South America corn crop at 181.0 mmt versus 167.0 last year. Some areas of South Brazil and Argentina are drier than normal. There is talk that South America soyoil prices are a discount to the U.S.

The USDA estimated the U.S. 2022 soybean crop is up 33 to 4,634. It increased the U.S. 2022/23 soybean carryout to 220 mil bu and raised the U.S. crush 10 mil bu. The USDA estimated the 2023 South America soybean crop to be 211.2 mmt versus 135.1.

The USDA dropped the U.S. 2022/23 wheat carryout 5 mil bu to 571 mil bu and left the U.S. 2022 wheat crop at 1,650. The USDA left U.S. exports at 775, which was the lowest in 50 years. The USDA estimated world 2022/23 end stocks to be near 267.8 mmt versus 276.0 last year. The Russian wheat crop was left at 91.0 and Ukraine at 20.5. Russian wheat export prices are lower than the U.S. The USDA kept Russia wheat exports at 42.0 mmt versus 33.0 last year. The U.S. south plains remains too dry.

Corn Futures - Weekly

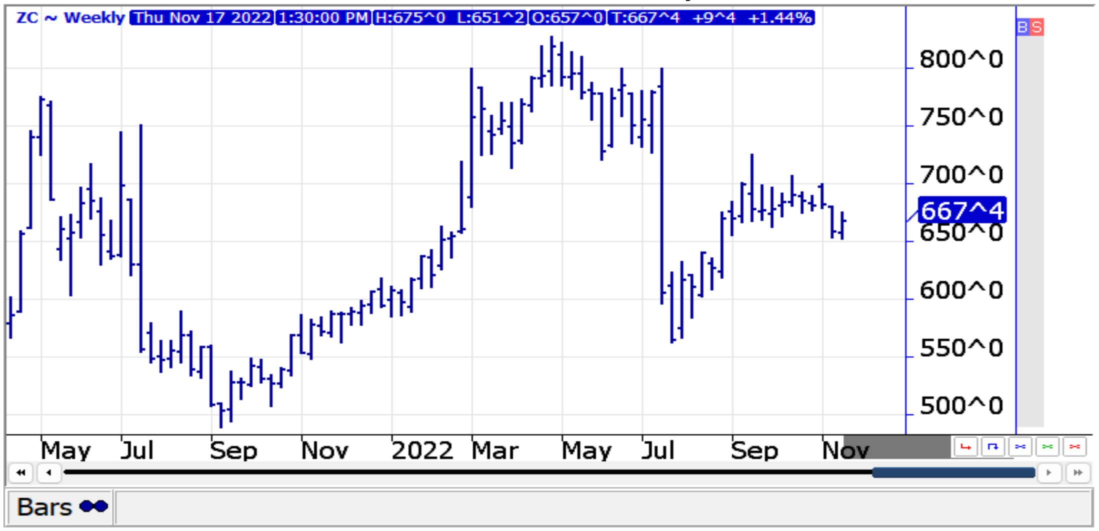


Chart from QST

Livestock Outlook by Chris Lehner, Senior Livestock Analyst, contracted by ADM Investor Services

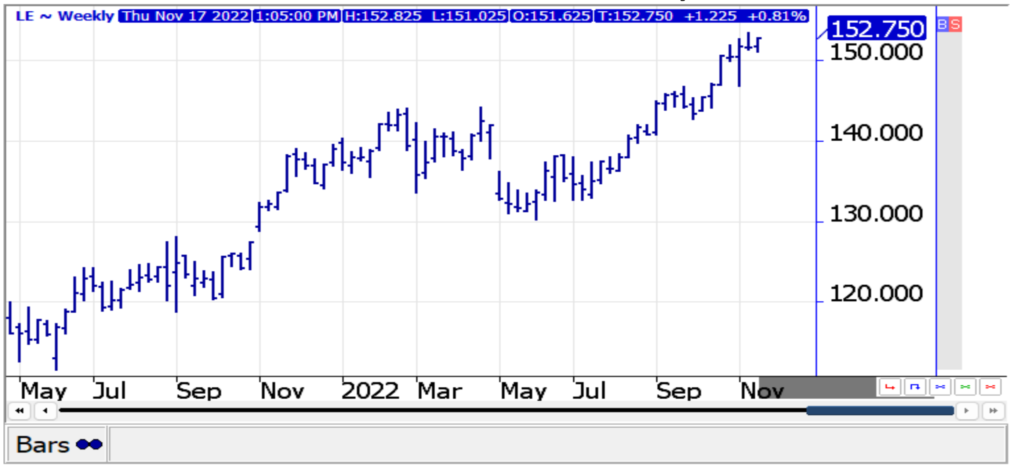
*The following report is an overview as of **November 17, 2022** and is intended to be informative and does not guarantee price direction.*

Live Cattle

Cattle and beef prices fell through September that set up beef buyers to become active buyers in October with cattle prices gaining with the strength in beef prices. Choice composite boxed beef prices in September fell from $262.39/cwt to $243.75 at the beginning of October. However, in October choice boxed beef did a complete turn around and moved back to $264.19/cwt. The primal beef sections that moved the most were choice rib and loin sections, breaking down to make rib roasts, loin roasts and steaks, as wholesalers and retailers secured inventory for the upcoming November and December holidays.

Live cattle futures and cash cattle prices benefited from the active beef buying. December 2022 live cattle, the most active contract in October, moved from the close on September 30 at $147.05/cwt to October 24 to $154.12/cwt settling at $152.47 on October 31. Cash cattle steers gained an average of $6.50 during October.

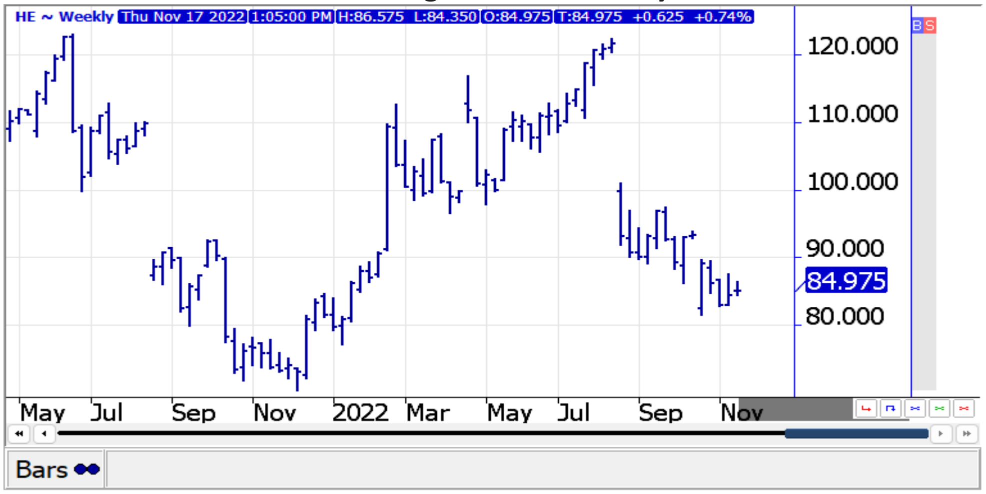
Live Cattle Futures - Weekly



Lean Hogs

Lean hog futures fell hard from September 20, 2022 to October 4 2022. October 2022 lean hogs declined from a high of $97.45/cwt on September 20 to a low at $86.20/cwt on October 4. But on October 4, in a spot month, there was a large difference between futures and cash hogs. The CME lean hog index was $92.93/cwt, a $6.73 difference between cash and futures. With October 2022 lean hogs expiring on October 14, futures and cash needed to converge. On October 5 sellers quickly began liquidating followed by futures moving higher through October 10. From the closing price on October 4 to October 10, October lean hogs gained $6.75/cwt to settle the day at $93.75/cwt. On October 10 the CME lean hog Index was $92.95/cwt. October lean hog futures settled on October 14 at $93.37 converging with the CME lean hog index.

Lean Hog Futures - Weekly



Charts from QST

Stock Index, Currency, Crude Oil and Precious Metals Futures Market Outlook by Alan Bush, Senior Financial Economist, ADM Investor Services

*The following report is an overview as of **November 16, 2022** and is intended to be informative and does not guarantee price direction.*

Stock Index Futures

The technicals for stock index futures are improving. The bottom for S&P 500 futures took place on October 13 when there was a one-day reversal pattern and prices have been higher ever since. Also, major downtrend lines have been penetrated on the upside.

The fundamentals have been improving, as well. Stock index futures traded sharply higher due to the bullish October consumer price and producer price index reports. The October U.S. consumer price index increased 0.4% when up 0.7% was anticipated and on an annualized basis the consumer price index increased 7.7% when 8.0% was predicted.

The October producer price index increased 0.2% when an increase of 0.5% as expected, and the producer price index on an annualized basis increased 8.0% when 8.3% was predicted.

Also, there is a seasonal tendency for stock index futures to firm after the midterm elections.

S&P 500 Futures - Weekly

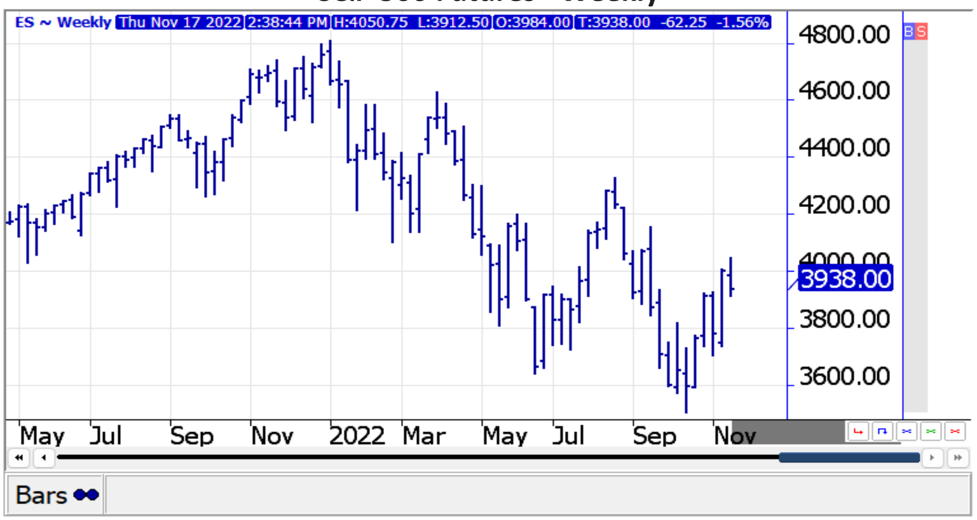


Chart from QST

U.S. Dollar Index

The U.S. dollar index advanced to a 20-year high in late September as interest rate differential expectations drove the greenback higher. Most of the strength was linked to Federal Reserve officials indicating a readiness to take more aggressive steps to bring inflation under control as most inflation measures were coming in hotter than expected.

All of that has changed since September, as more recently there are indications of moderating inflation. The U.S. dollar index declined to its lowest level since August 15 due to speculation about a possible Federal Reserve policy shift. The U.S. dollar has underperformed in the last two months as interest rate differential expectations have turned against the greenback.

Lower prices are likely for the U.S. dollar.

Euro Currency

The euro currency declined to the lowest level in 20 years in early September, falling to below parity against the U.S. dollar. Pressure on the euro at that time was linked to a growing disparity between the European Central Bank and Federal Reserve policies.

However, all of this has changed in recent months as the euro has been able to sharply advance against the U.S. dollar. Much of the reversal is due to increasing speculation that the Federal Reserve will implement a less hawkish policy stance.

Sentiment towards the German economy improved by more than expected in November but remained in negative territory for the ninth straight month. The ZEW think tank's forward looking sentiment index improved to -36.7 during the period, up from -59.2 in October. Economists predicted the figure would rise to -50.0.

Higher prices are likely for the euro currency.

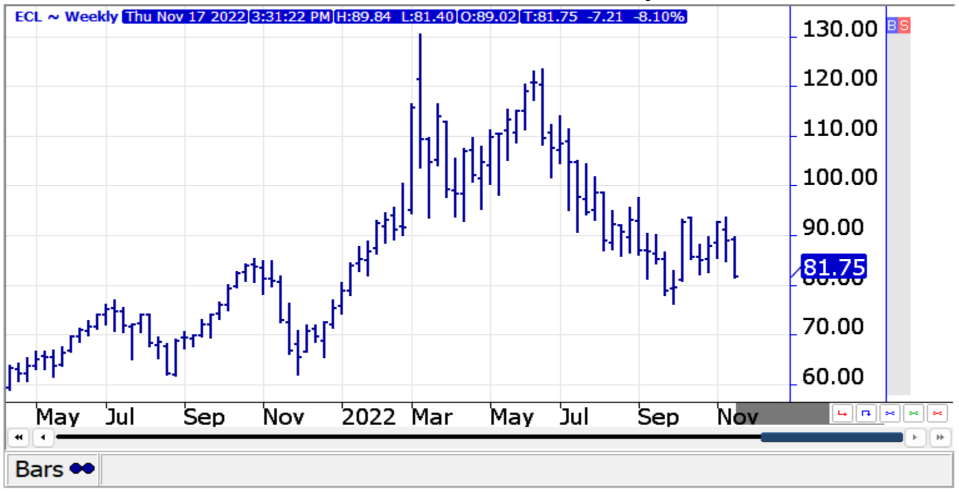
Crude Oil

Crude oil prices peaked on November 7 and then fell to just above 81.00. Much of the pressure was linked to fears of a potential global recession-driven demand downturn, which continued to hang over the market. Investors remain worried about a deteriorating outlook for growth and demand due to intensifying macro headwinds, including high inflation and tighter financial conditions.

In October, a week after announcing a two million barrels per day headline cut to its collective oil production target, OPEC significantly reduced its global oil demand growth estimates for both 2022 and 2023. OPEC said, “The significant uncertainty regarding the global economy, accompanied by fears of a global recession contributes to the downside risk for lowering global oil demand growth.” OPEC now sees global oil demand growth at 2.5 million barrels per day in 2022 after slashing the fourth quarter demand projections by almost 400,000 barrels per day.

With the U.S. Treasury yield curve remaining inverted, which signals recession, it is likely that in this environment demand for industrial commodities will weaken and lower prices are likely for crude oil.

Crude Oil Futures - Weekly

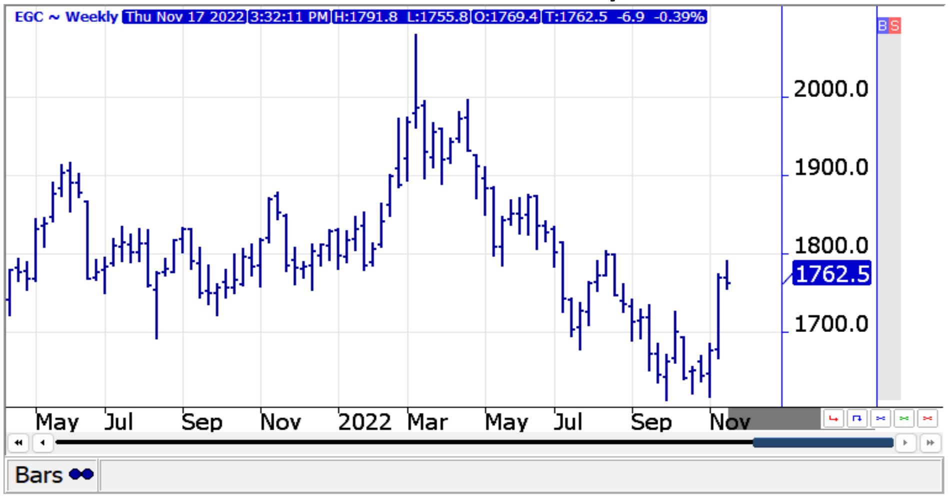


Gold

After making a triple bottom on the daily chart on November 3, futures were able to advance more than $160 in only 9 trading days. Much of the strength can be explained by a sharply declining U.S. dollar and increased speculation that the Federal Open Market Committee will be less hawkish going forward. Investors are thinking the Federal Reserve will moderate the size of its rate hikes to 50 basis points from December after delivering four straight 75 basis point increases.

Also, there are indications that other central banks may be less hawkish than many analysts expect later this year in response to slower global economic growth. Follow-through price gains are likely for gold futures.

Gold Futures - Weekly



Charts provided by QST

Support and Resistance

Grains

March 23 Corn

Support	6.50	Resistance	7.00

March 23 Soybeans

Support	13.75	Resistance	15.00

March 23 Chicago Wheat

Support	7.75	Resistance	9.00

Livestock

February 23 Live Cattle

Support	147.00	Resistance	157.00

February 23 Lean Hogs

Support	83.50	Resistance	93.50

Stock Index

December 22 S&P 500

Support	3860.00	Resistance	4150.00

December 22 NASDAQ

Support	10750.00	Resistance	12820.00

Energy

January 23 Crude Oil

Support	73.50	Resistance	88.00

January 23 Natural Gas

Support	5.500	Resistance	6.850

Metals

December 22 Gold

Support	1735.0	Resistance	1835.0

December 22 Silver

Support	19.60	Resistance	24.20

December 22 Copper

Support	3.5200	Resistance	3.9000

Currencies

December 22 U.S. Dollar Index

Support	104.550	Resistance	108.500

December 22 Euro Currency

Support	1.0260	Resistance	1.06400

Any questions or comments on this special monthly outlook, send them to sales@admis.com.