



ADM Investor Services, Inc.

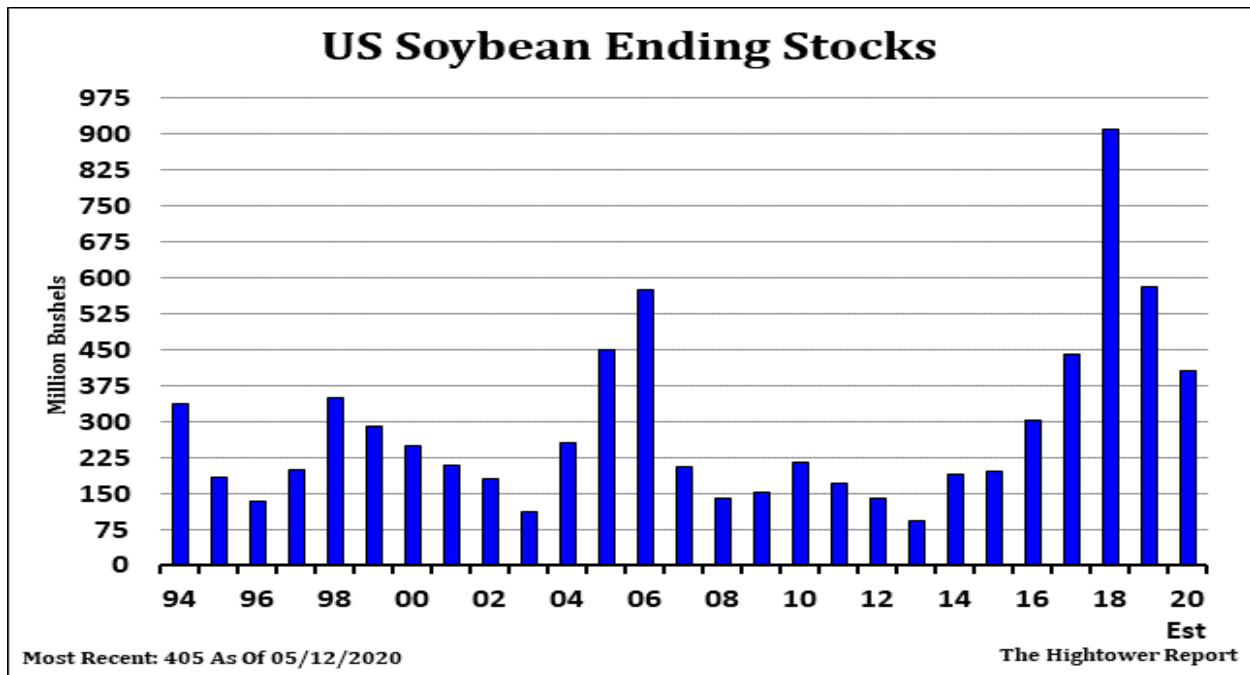
ADM Investor Services Market View

June 5, 2020 by Steve Freed

Soymeal, rice, oats and wheat traded lower. Soybeans, corn and soyoil traded higher. US stocks were sharply higher. US Dollar was higher. Crude was higher. Gold was sharply lower.

SOYBEANS

Soybeans edged higher. Another daily report of US soybeans sold to unknown offered support. Funds liquidation of long soybean and short corn spreads offered resistance. April US soybean exports were near 79 mil bu. This was 15 mil below March and 8 mil bu below last year. Some feel US final exports could be down 50 mil bu from USDA guess. This could add to US carryout. US 2020 weather is favorable for the soybean crop. Most look for weekly US soybean crop ratings to increase 1-2 pct. July soybeans have seen a 45 cents rally from recent lows due to China buying US soybeans. Open interest is up 80,000 contracts. Supply and demand numbers do not justify a trade over 9.00 unless there is a summer US Midwest weather problem. July soybean remain in a range between 281-289 Demand for US soybean does not justify a higher trade. Higher World vegoil demand and talk of lower palmoil supply has helped rally soyoil prices. OI has increased 30,000 contract in the rally to 28 cents.



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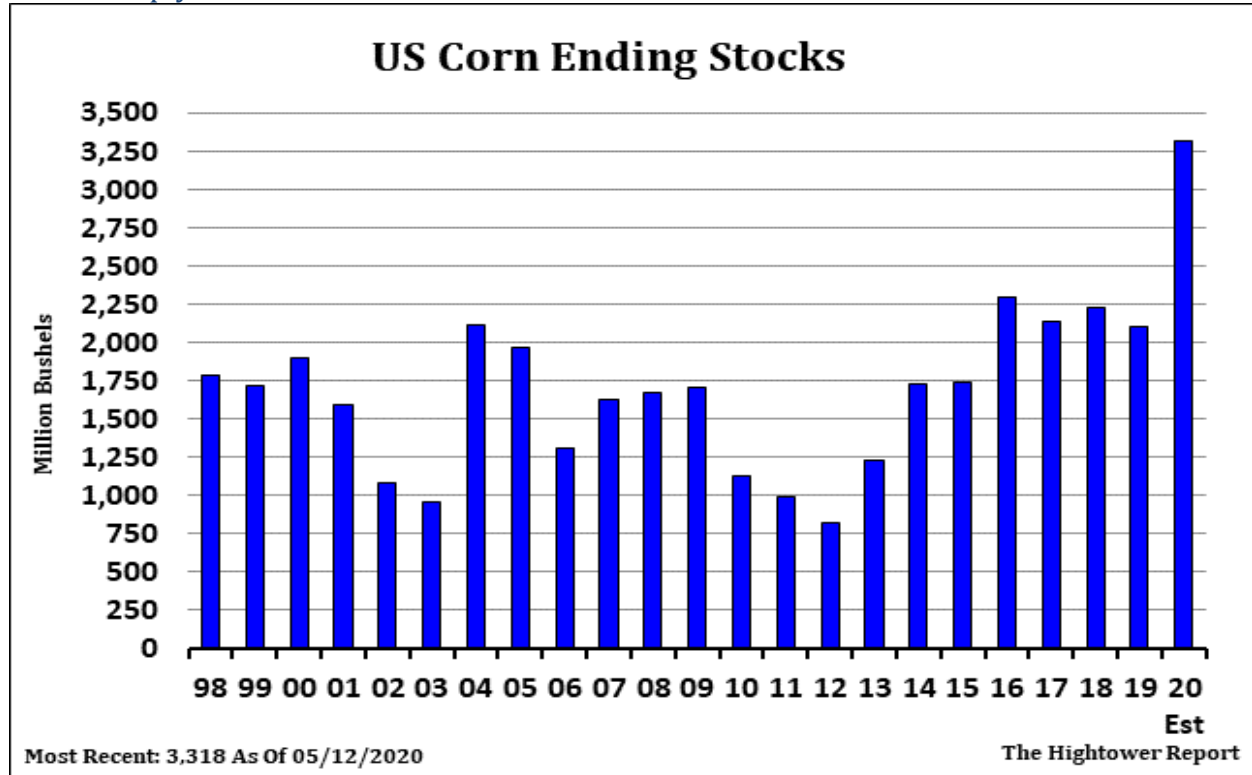


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CORN

Corn futures traded higher. Dec corn is near key resistance. Most suggest producers should increase 2020 crop sales near current levels. Increase competition from lower priced South America corn, lower US Ethanol demand and favorable US weather could send Dec corn below 3.00 in the fall. US 2 week Midwest weather forecast starts warm and dry. Tropical storm in US Gulf could bring rains and cooler Midwest temps. This should be ideal for US summer crops. Most look for weekly US corn crop ratings to increase 1-2 pct. Higher US 2020 corn crop could also add to US 2020/21 carryout. April US corn exports were near 199 mil bu. This is down 17 mil bu from last year. Some feel final US exports could be down 25 mil bu from USDA guess. This weeks talk of a lower Brazil corn crop may have offered support to corn. Lack of US farmer selling has also rallied the basis and could also be helping futures. July corn have seen a 23 cents rally from recent lows due to higher energy markets. Open interest is up 130,000 contracts. Supply and demand numbers do not justify a trade over 3.40 unless there is a summer US Midwest weather problem. [Oats and rice trade sharply lower.](#)



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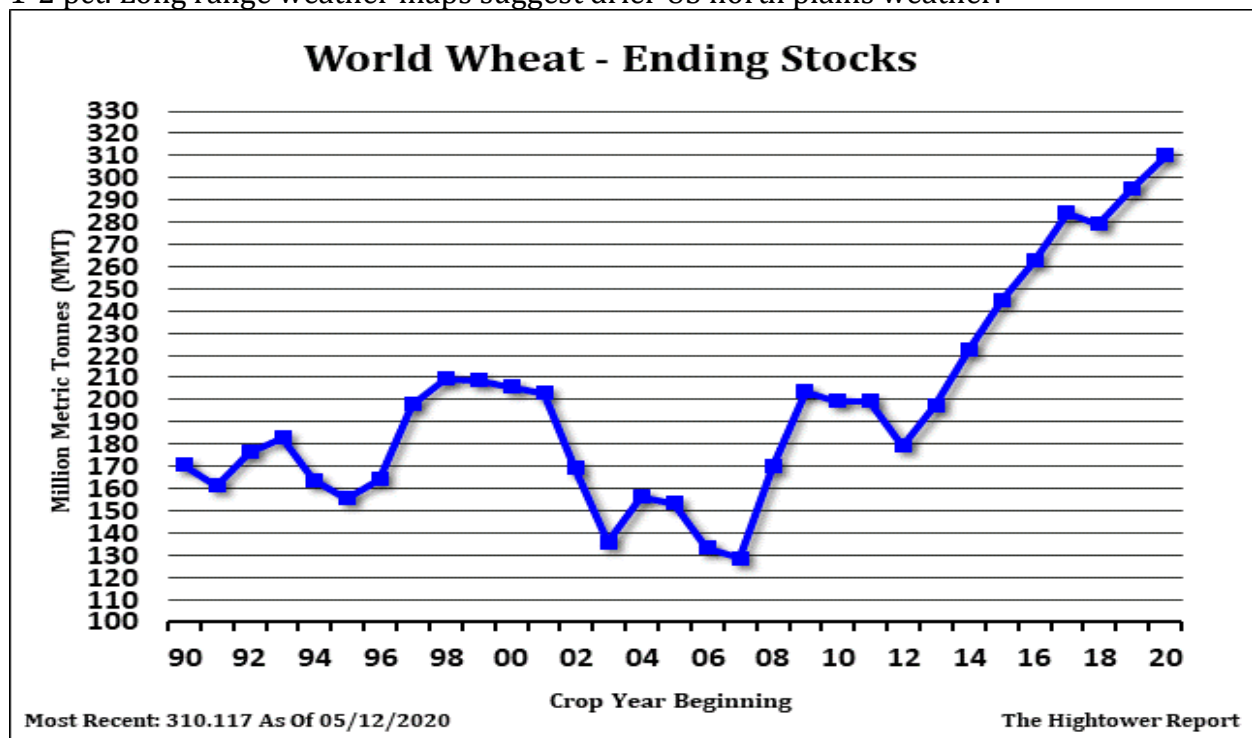


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WHEAT

Wheat futures traded lower. Approaching US HRW harvest may have triggered long liquidation. Managed funds had added to longs in recent 37 cent rally. OI was up 50,000 contracts. WN ran into stiff resistance near 5.30. Today's trade gave back most of Thursday's gains. This week's talk of lower EU and Russia crop production and higher Russia domestic prices helped wheat futures rally. Lower US Dollar may have also supported the wheat rally. April US wheat exports were near 89 mil bu. This is up 20 mil bu from March but down 25 mil bu from last year. US south plains weather is still warm and dry. Some feel that weekly US winter wheat ratings could drop 1-2 pct. US spring wheat weather is mostly favorable. Some feel weekly US spring wheat crop ratings will increase 1-2 pct. Long range weather maps suggest drier US north plains weather.



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