



ADM Investor Services, Inc.

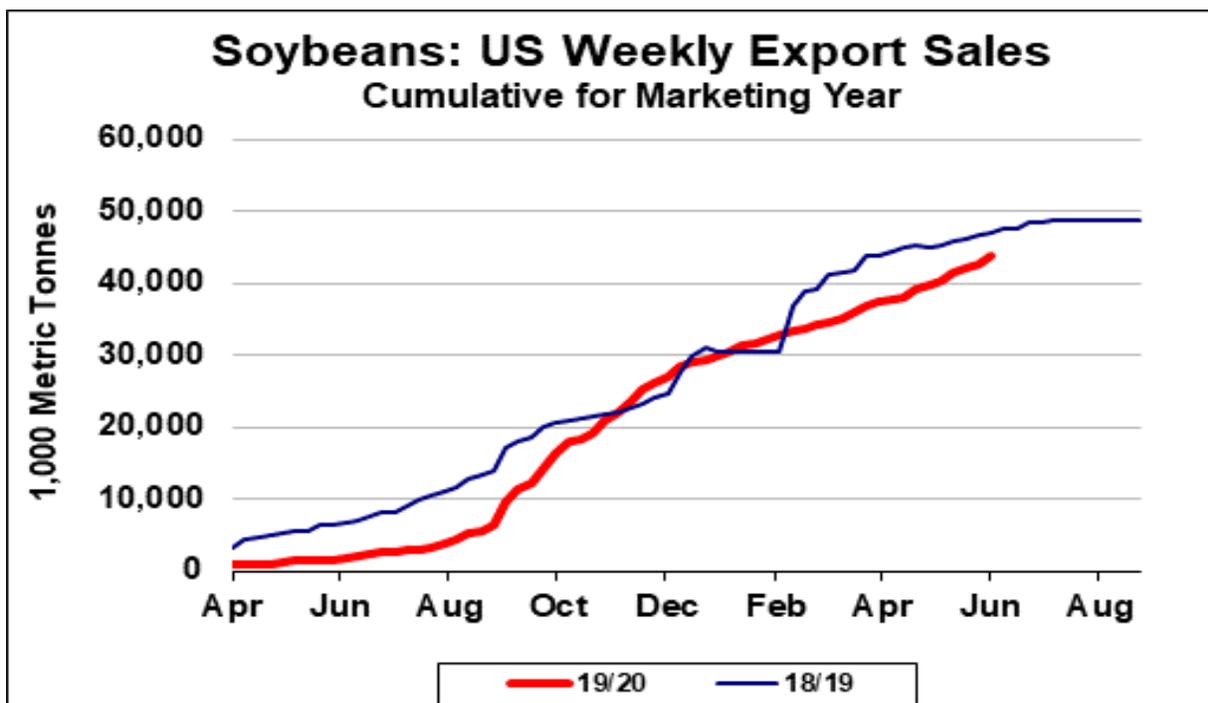
ADM Investor Services Market View

June 17, 2020 by Steve Freed

Soybeans, soyoil and corn traded higher. Wheat traded lower. US stocks were mixed. US Dollar was higher. Crude was lower.

SOYBEANS

Soybeans started lower on increase fund selling. Talk that China may have bought a few cargoes of US soybean helped Rally futures. China announced their hog herd increased 4 pct In May. Soyoil futures firmed despite talk that Brazil SBObasis dropped 100-150 points on word that Brazil had lowered their biofuel blend due to drop in gas demand. Cases of the Virus continues to escalate in Brazil. There was some fear that meat imports to China could slow as they increase testing for imported meat. Soybean values are above delivery but the closer SN is to 8.80 the higher chance of increase US farmer selling. Soybean and soymeal futures may be trading below value. Still uncertain China demand for US soybeans and drop in global crush margins offers resistance to futures. Weekly US old crop soybean export sales are estimated near 500-1,200 mt versus 1,003 last week and 600-1,300 mt versus 1,202 last week. Key now is US summer Weather. 2 week forecast looks favorable for crops.



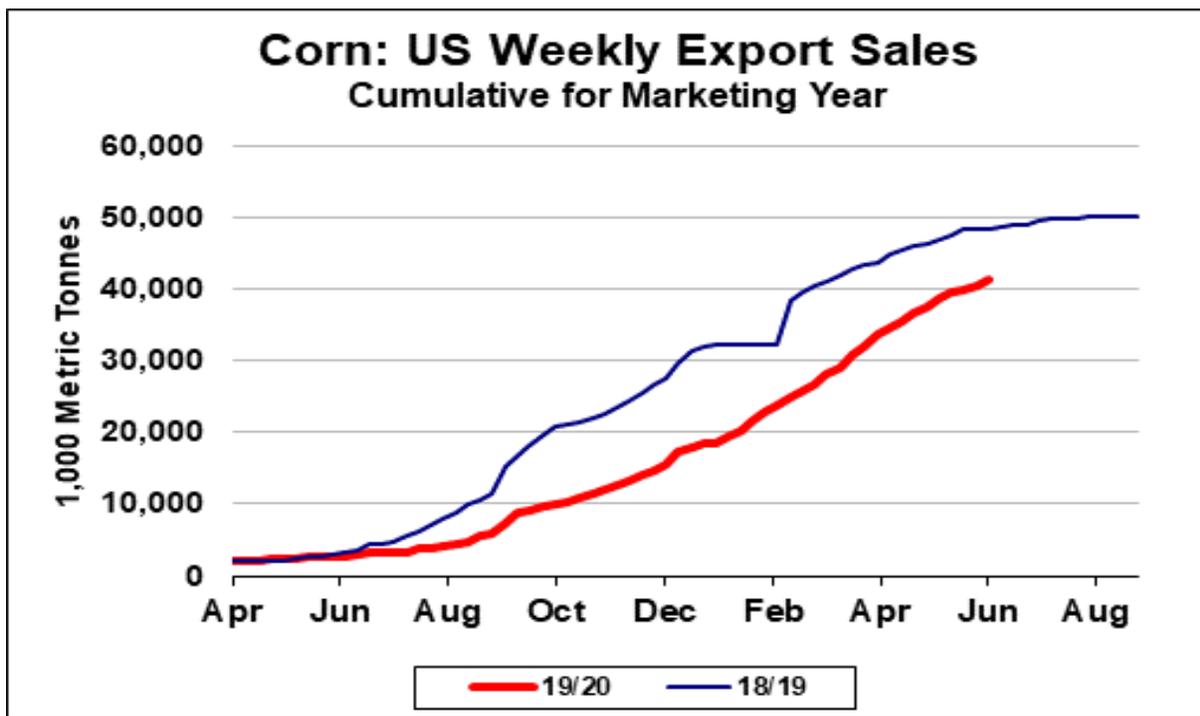
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CORN

Corn futures managed small gains. World that China may be asking for US ethanol helped rally futures. Favorable US 2 week Midwest weather forecast offered resistance. Talk that Brazil was offering corn for export at prices below US also weighed on corn prices. US farmers across the Midwest report mostly favorable corn crop conditions. They also report that the crops is beginning to show stress from recent heat and dryness. This rains event over the next 4-5 days could be key to prices. Weekly US ethanol production was up only .5 pct but still down 22 pct from last year. Production increase was lower than expected. Stocks were down from last week and last year. Margins are improving. Processors continue to bid up for corn. There was talk of one buy order of 4,900 contracts sparked the rally. US cattle on feed is expected at 98 pct, placements 96 pct but marketing only 74 pct due to plant closures. Weekly old crop corn export sales are estimated near 450-850 mt versus 660 last week. New crop sales are estimated near 50-300 mt. Talk of higher US/World 2020 corn supply continues to weigh on corn futures. Some feel average OND corn futures could be near 3.35. Bears feel normal US 2020 crop and Dec corn could trade down below 3.00. Key now is US summer weather.



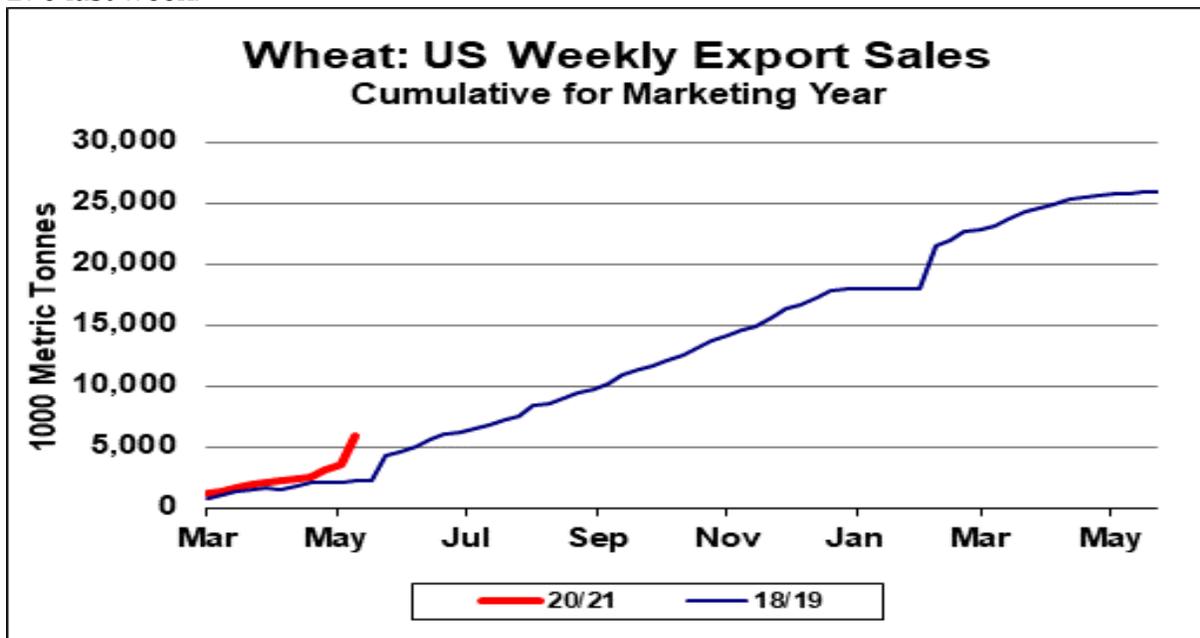


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WHEAT

Wheat futures were mixed with Chicago and KC lower and Minn higher. Chicago open interest increase 14,000 contracts on Tuesday. This could new managed fund shorts. Increase rains in Europe helped push the Matif futures to 3 month lows. US futures followed. Despite strong prices, word that Russia will not extend export quotas also weighed on prices. There was talk today that a lower Russia crop could drop their exports below USDA estimate. Key will be World demand and if US gets any increase in business. There were rumors today that China may have bought few cargoes of US HRW and were Still looking for additional demand. Chicago futures made new lows for the move. Chicago now has dropped from recent high of 5.29 to 4.87. Next support is near contract lows and 4.70. Some feel Dec Chicago wheat may be trading below value. Still funds continue to add to net short posits on concern about demand. Record large World end stocks continue to offer resistance. Weekly US wheat export sales are estimated near 250-300 mt versus 270 last week.



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