



ADM Investor Services, Inc.

ADM Investor Services Market View

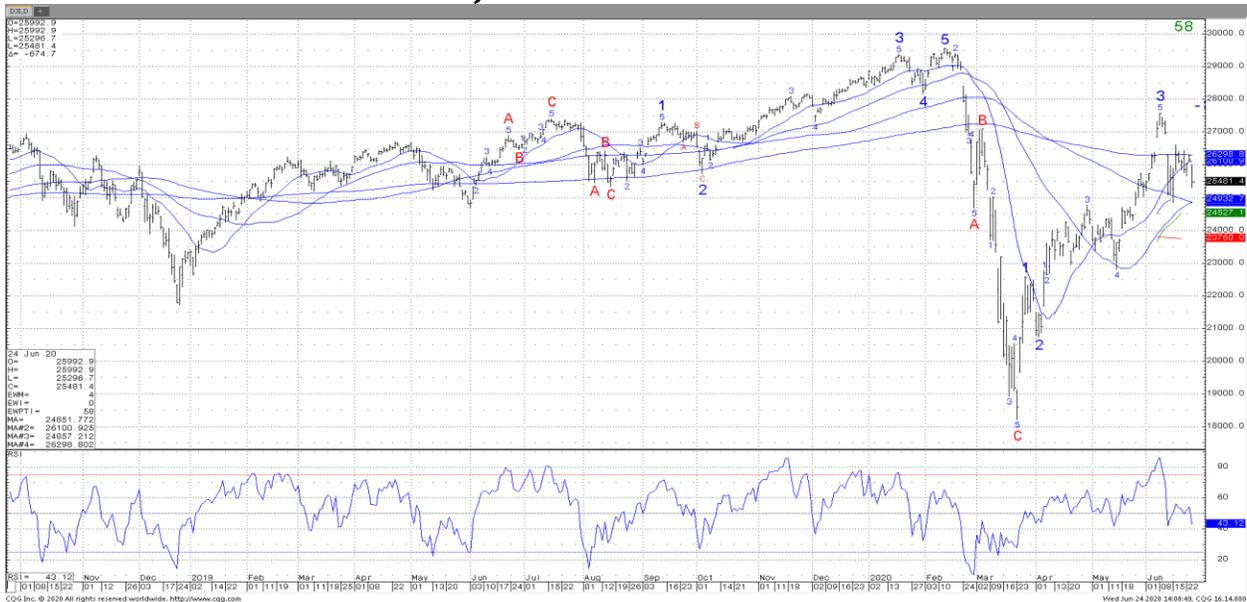
June 24, 2020 by Steve Freed

Soybeans, soyoil, corn and wheat traded lower. US stocks and Crude were sharply lower. US Dollar was higher. Markets were under pressure on concern over increase virus cases in south US states and Europe.

SOYBEANS

Soybeans traded lower. Most commodity markets were lower on concern about increase virus case in US and Europe. Some fear this could reduce energy and food demand. Fact China is requesting documentation that guarantees shipments will be virus free offers resistance to prices. This could slow demand for US Ag goods. There is talk that Tyson may sign such a document. Weekly US soybean export sales are estimated near 400-900 mt old crop versus 538 last week and 400-1,000 mt new crop versus 1,382 last week. Uncertainty of timing of new China buying and talk of higher US 2020 supply offers resistance to soybean futures. Next Tuesday, USDA will release estimates of US June 1 stocks and US 2020 acres by crop. Trade estimates US June 1 soybean stocks near 1,392 mil bu versus 1,783 last year. Range of guesses were 1,160-1,725. Trade also estimates US 2020 soybean acres near 84.8 million versus USDA March guess of 83.5 and 76.1 last year. Seasonally. Nov soybean tends to make a top in mid-July. It will take a weather problem to move futures higher.

US Dow Jones Industrial chart



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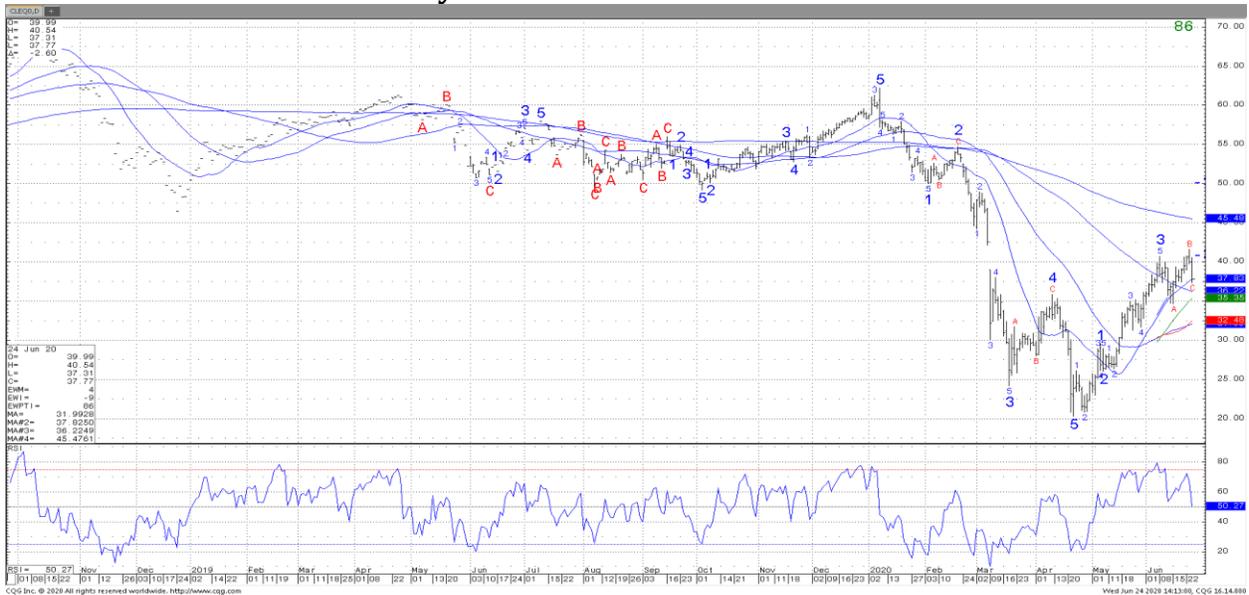


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CORN

Corn futures traded lower. Despite fact managed funds are already near record short corn futures, favorable US Midwest 2 week weather and concern over US export demand continues to weigh on prices. Fact US farmers may need to sell 18,000 mil bu of corn before Sep 1 has helped the basis but still limits the upside in futures. Grain trade has slowed as market awaits new information. Fact China is requesting documentation that guarantees shipments will be virus free offers resistance to prices. This could slow demand for US Ag goods. There is talk that Tyson may sign such a document. Weekly US ethanol production was up 6 pct from last week and down 16 pct from last year. Stocks were down 1 pct from last week and 2 pct from last year. Margins are improving. Weekly US corn export sales are estimated near 300-800 mt old crop versus 357 last week and 100-300 mt new crop versus 114 last week. Argentina corn prices are below US. Brazil corn export line up is increasing. India announced they will buy 500 mt corn. Most feel from either South America or Ukraine. There were also rumors of China buying Ukraine and US corn. Next Tuesday, USDA will release estimates of US June 1 stocks and US 2020 acres by crop. Trade estimates US June 1 corn stocks near 4,959 mil bu versus 5,202 last year. Range of guesses were 4,795-5,250. Trade also estimates US 2020 corn acres near 95.1 million versus USDA March guess of 97.0 and 89.3 last year. Seasonally. Dec corn tends to make a top in mid-June. It will take a weather problem to move futures higher.

Nearby Crude oil futures chart



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WHEAT

Wheat futures were mixed. Chicago and KC traded lower. MLS traded higher. US equity and energy markets are trading sharply lower as new viruses cases have increased in US southern states and Europe. Doctors are concerned about the new cases. Economist are also concerned that new steps to control the virus may slow energy and food demand. Grain trade has slowed as market awaits new information. Next week's USDA acres and stocks report plus month end and quarter end could also add to volatility next week. Managed funds are net short wheat futures. Wheat futures have an equally balance between negative impact north hemisphere harvest pressure and slow World trade has on prices versus tight Europe and Black Sea supplies offers support. Most do not feel traders should chase the wheat market lower. Weekly US export sales are estimated near 250-650 mt versus 504 last week. Next Tuesday, USDA will release estimates of US June 1 stocks and US 2020 acres by crop. Trade estimates US June 1 wheat stocks near 987 mil bu versus 1,080 last year. Range of guesses were 963-1,085. Trade also estimates US 2020 wheat acres near 44.7 million versus USDA March guess of 44.7 and 45.2 last year

Weekly US Dollar futures chart



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