



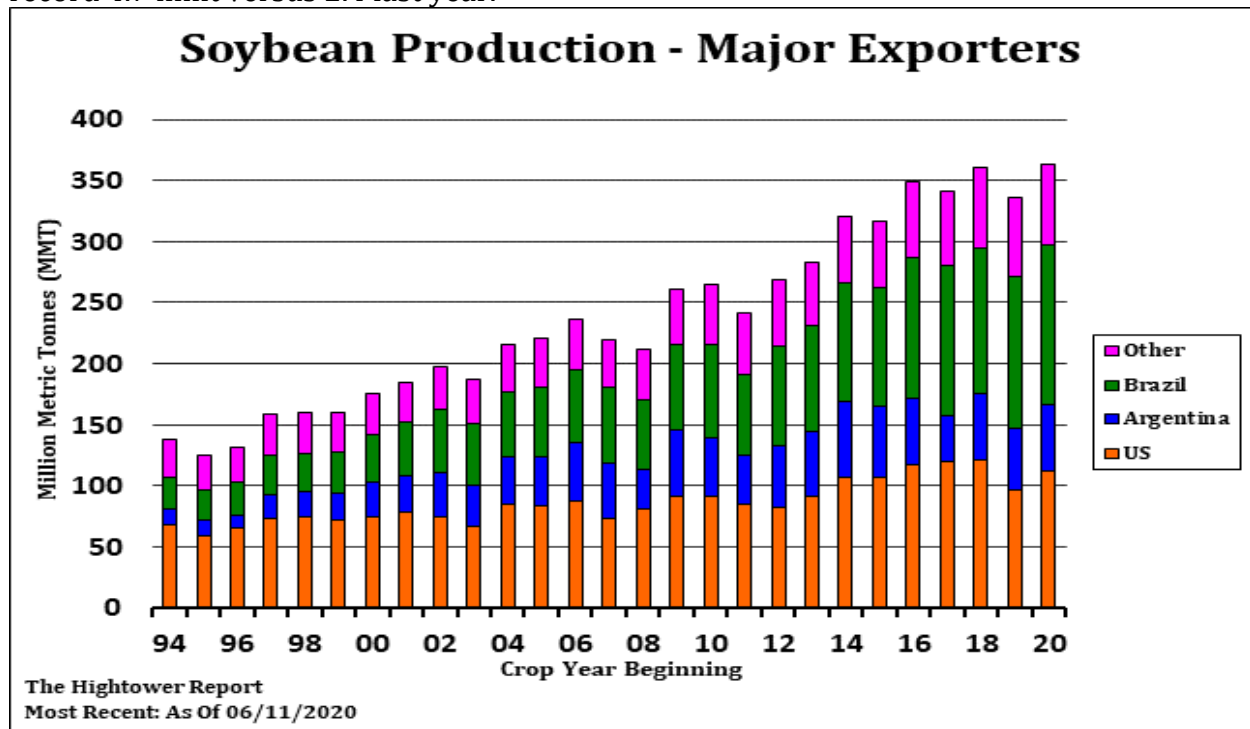
# ADM Investor Services Market View

June 26, 2020 by Steve Freed

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

## SOYBEANS

Soybeans traded lower. Favorable US Midwest 2 week weather forecast limited new buying. Managed funds actually increased net soybean and soymeal short positions. Concern about an increase in US virus cases slowing food demand offered resistance. WSJ article reporting China officials request US to stay out of China affairs or jeopardize US and China trade deal also offered resistance. In order for China to buy enough US soybeans to meet the deal they would have to buy 1.5-1.7 mmt US soybean per week. Oil World reported that World April-Sep oilseed crush is slowing. Oct-Mar was near 246.6 mmt versus 235.1 last year. April-Sep could be near 244.5 mmt versus 244.1 last year. China Oct-May oilseed imports were a record 60.4 mmt versus 52.9 last year. Soybean imports were also a record 57.8 mmt versus 49.7 last year. China Oct-May meat imports were a record 4.7 mmt versus 2.4 last year.



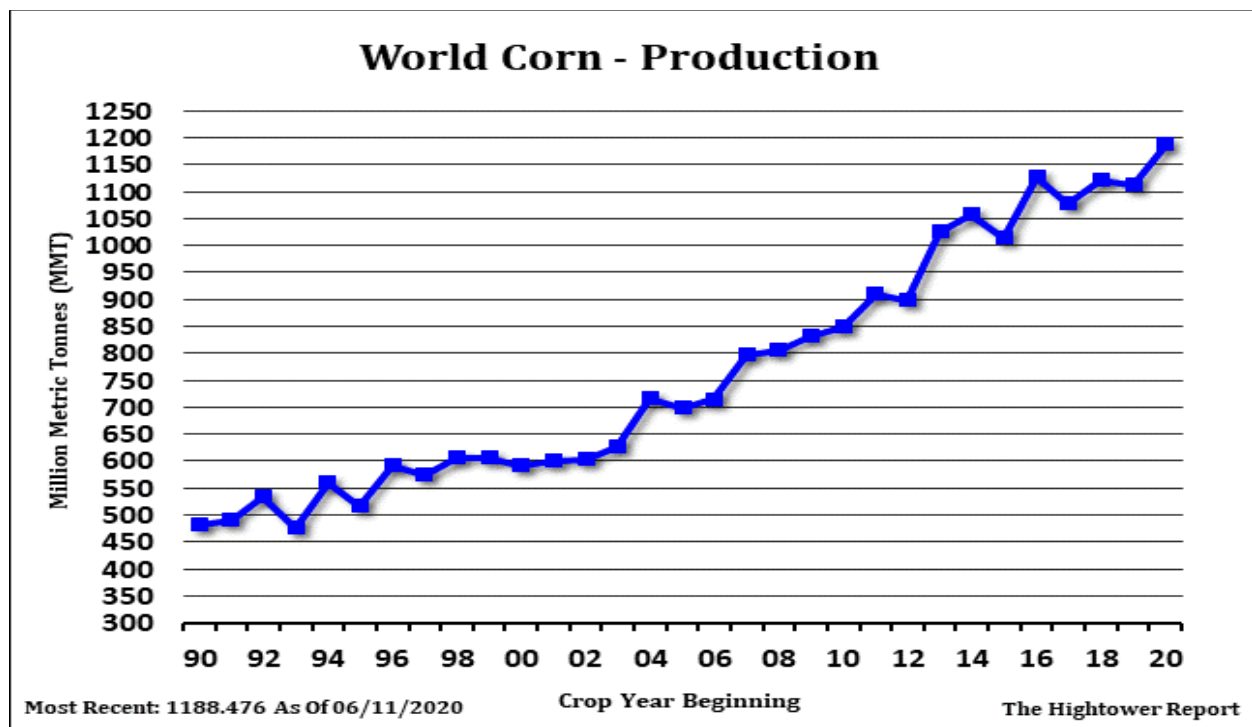


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## CORN

Corn futures traded slightly lower. This week Managed funds increase their record short corn futures and option positions. Favorable US Midwest 2 week weather forecast Limited new buying. Much of the Midwest should see normal rains next week factoring IL, IN, KY and TN. This should help improve overall US corn crop ratings. This week US gulf corn basis firmed on rumors of China interest in US corn. US domestic basis also firmed on end user needs. Farmer did increase cash old crop and new crop sales. There is also new talk That Chinese officials warn that increase US involvement in China affairs could jeopardize US and China trade deal. Deliveries on July grain contracts could be zero corn. Higher domestic basis could limit corn deliveries. Ukraine increased their corn crop to 39 mmt and exports to 33 mmt versus 32 last year. International Grain Council increased World corn crop. They estimated world grain stocks to increase 20 mmt to 635 mmt. 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. Trade also estimates US 2020 corn acres near 95.1 million versus USDA March guess of 97.0 and 89.3 last year.



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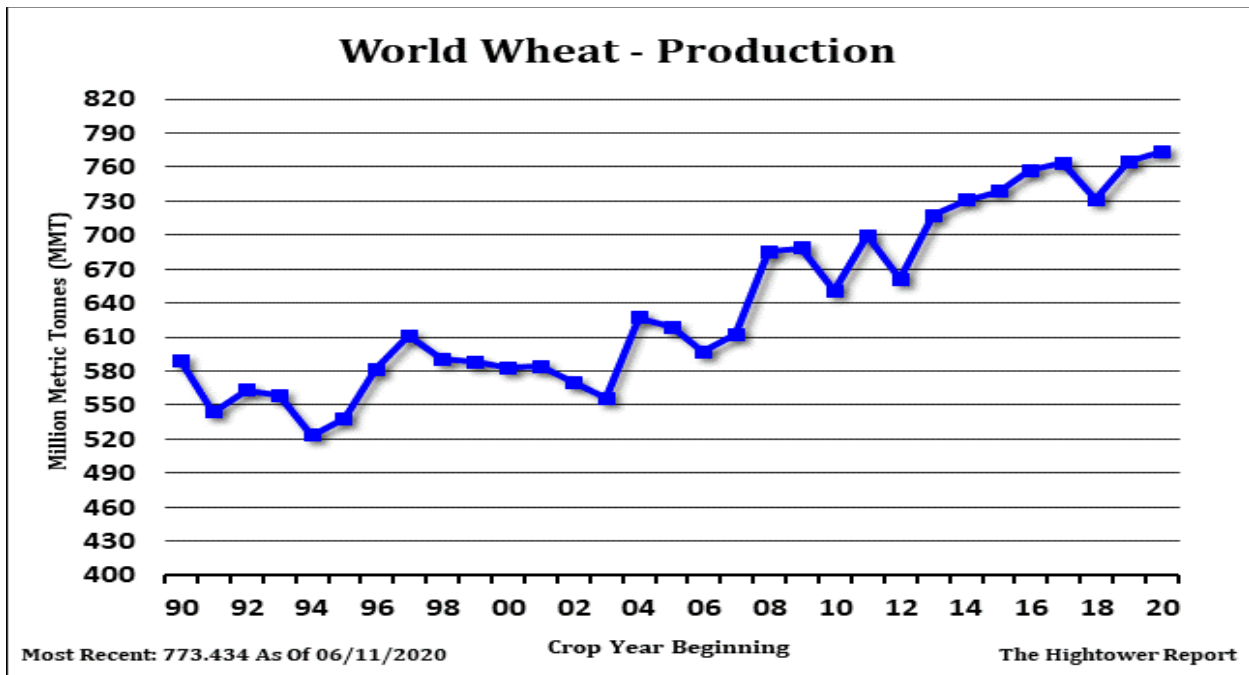


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## WHEAT

Wheat futures traded sharply lower. New contract lows increased selling. Concern over global wheat demand due to increase virus cases continues to weigh on World wheat prices. EU and Black Sea futures have dropped this week despite talk of lower crops. This due to drop in export demand. There is also new talk that Chinese officials warn that increase US involvement in China affairs could jeopardize US and China trade deal. Deliveries on July grain contracts could be zero Chicago wheat. Ukraine lowered their wheat crop to 24.5 mmt and exports to 17 mmt versus 21 last year. International Grain Council increased World wheat crop. They estimated world grain stocks to increase 20 mmt to 635 mmt. 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. Trade also estimates US 2020 wheat acres near 44.7 million versus USDA March guess of 44.7 and 45.2 last year.



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