



ADM Investor Services, Inc.

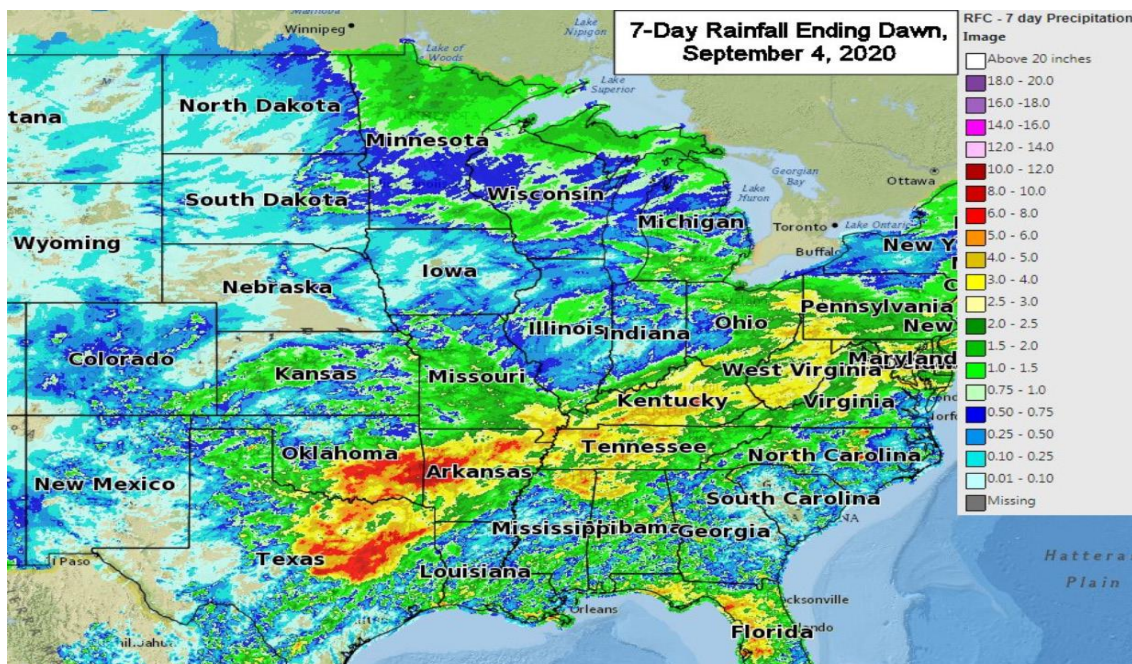
ADM Investor Services Market View

September 4, 2020 by Steve Freed

Soybeans, soymeal and corn traded higher. Wheat and soyoil traded lower. Funds were liquidating long soybean and short corn and long soyoil and short soymeal spreads. US stocks were lower. Crude was lower. US unemployment data was better than expected.

SOYBEANS

Soybean edged higher. USDA announced new US soybean sales to China and soymeal sales to Philippines. US Midwest 7 day weather forecast suggest below normal temps and normal rains. Maps suggest 1.00-2.00 inches of rain Sunday across IA and N IL. Another front could drop 1.00 to 3.00 inches of rain across much of the US Midwest. US Midwest second week US weather forecast suggest above normal temps and below normal rains. Food and Ag Commodity Economics (Informa) estimated US soybean crop near 4,323 mil bu and yield near 52.1 versus USDA 4,425. Average trade guess is 4,292 mil bu. USDA report is Sep 11. They estimated IA soybean crop near 520 mil bu versus 503 last year. They estimated IL crop near 642 mil bu versus 552 last year. They estimated MN crop of 381 mil bu versus 304 last year. They estimated IN crop of 335 mil bu versus 278 last year. They estimated Delta crop near 475 mil bu versus 391 last year. There were rumors that exporters may move soybean sales from Brazil to US. Brazil may have oversold its 2019/20 supply.



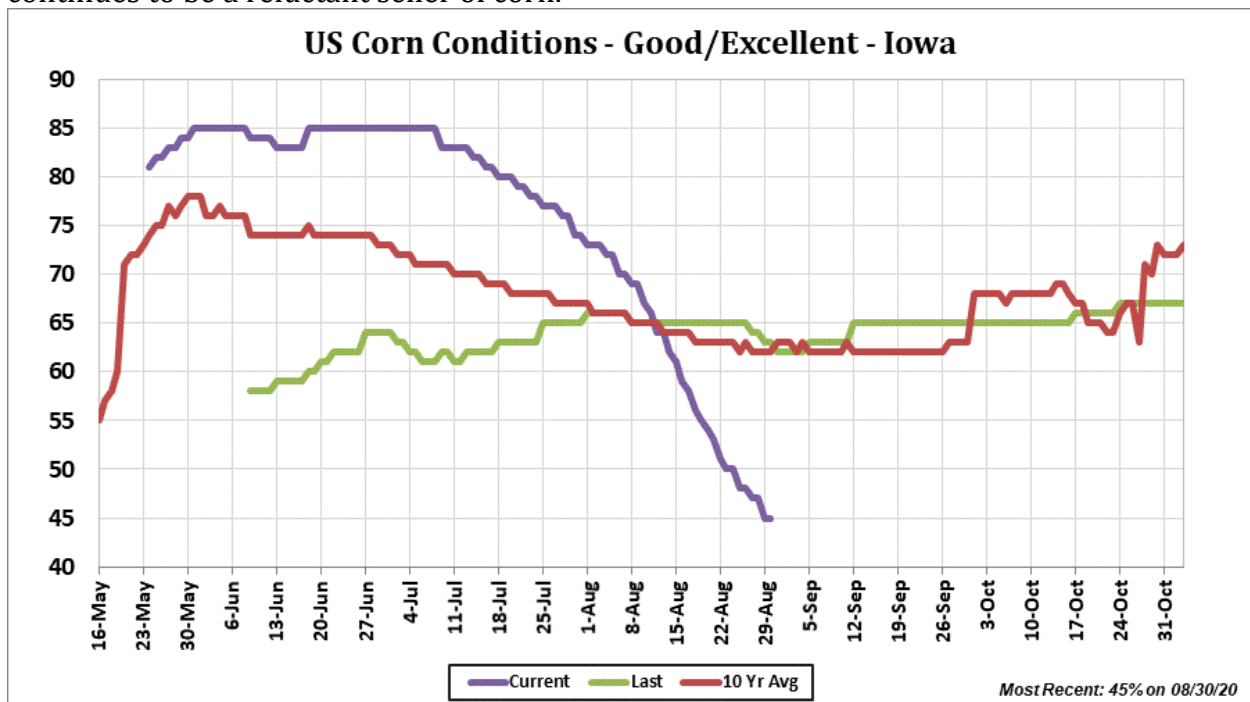
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CORN

Corn futures traded higher on low volume. There may have been some fund liquidation of long soybean and short corn spread positions. There was talk that China may import 15-20 mmt corn in 20/21. US share could be 12 mmt. USDA estimates their total imports near 7 mmt. Same group could see China 21/22 corn imports near 20-25 mmt. Bears doubt higher China exports will offset lower ethanol and feed use. US Midwest 7 day weather forecast suggest below normal temps and normal rains. Maps suggest 1.00-2.00 inches of rain Sunday across IA and N IL. Another front could drop 1.00-3.00 inches of rain across much of the US Midwest. US Midwest second week US weather forecast suggest above normal temps and below normal rains. Food and Ag Commodity Economics (Informa) estimated US corn crop near 14,961 mil bu and yield near 178.1 versus USDA 15,278. Average trade guess is 14,891 mil bu. USDA report is Sep 11. They estimated IA corn crop of 2,506 mil bu versus 2,584 last year. They estimated IL crop near 2,161 mil bu versus 1,846 last year. They estimated MN crop near 1,507 mil bu versus 1,254 last year. They estimated NE crop near 1,786 mil bu versus 1,785 last year. They estimated IN crop near 987 mil bu versus 814 last year. They estimated SD crop near 822 mil bu versus 557 last year. US farmer continues to be a reluctant seller of corn.



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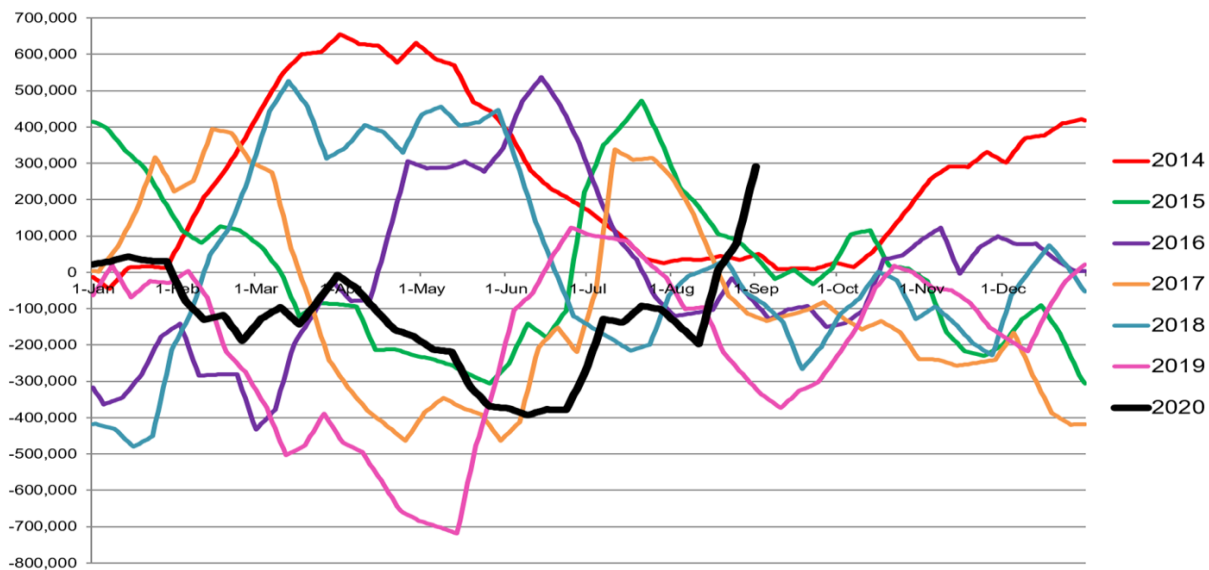
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WHEAT

Wheat futures traded lower on low volume. For the week, WZ traded over 5.54 resistance on talk of higher EU and Russia prices. KWZ also traded over 4.82 resistance. MWZ tested 200 day moving average near 5.50. Talk of lower World export demand and fact futures are overbought pulled WZ back to near 5.46, KWZ near 4.70 and MWZ near 5.41. Today Informa dropped Argentina 2021 crop forecast but raised Canada. USDA increased US net farm income projection to \$102.7 billion up 19 from last year. Government farm payments were near \$37 billion up 14.7 from last year. US trade deficit was \$64 billion and largest since July, 2008. US 2020 Federal deficit is projected at \$3.3 trillion or triple a year ago. This week, Egypt paid the highest price for wheat yet this market year. Russia prices were high and suggested they may not want to go aggressively short until their farmers begin to sell cash.

Money managers' combined net position in grain and oilseed* futures and options through September 1, 2020



*Includes CBOT corn, soybeans, wheat, soymeal, soyoil, K.C. wheat and MGEX wheat
Data source: Reuters/CFTC

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