



ADM Investor Services, Inc.

ADM Investor Services Market View

November 12, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil, corn and wheat traded lower. Lack of new bullish news may have triggered fund long liquidation. Given dry weather in a few key crop areas and tightening of the US 2020/21 corn and soybean balance sheet, most still feel prices will tend higher into the end of the year and into Q1, 2021. Increase US Covid cases offered resistance to US stocks, US Dollar and energy prices.

SOYBEANS

Jan soybean dropped below 11.50. Lack of new US sales to China and talk of increase showers in west Argentina and central Brazil offered resistance. Managed funds have been sellers of 5,000 soybean, 1,000 soyoil and 3,000 soymeal. We estimated that the funds are net long 284,000 soybeans, 97,000 soybean meal and 112,000 soyoil. Due to today's holiday, US weekly export sales will be delayed until Friday and CFTC commit of traders report until Monday. World vegoil prices continue to trend higher led by Ukraine sunoil, Rotterdam canola oil and Brazil soyoil. Oil World estimates World 2020 Jan-Oct soyoil exports near 7.8 mmt versus 7.4 last year. Trade estimates for US soybean sales are near 800 to 1,800 mt. US soybean export commit is near 48.5 mmt versus 20.8 last year. China is 26.8 with 10.5 in unknown. Last weeks sales were near 1.5 mmt with China the best buyers. USDA estimates US soybean exports near 59.8 versus 45.6 last year

January soybean futures chart



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CORN

Corn futures traded lower. Lack of new bullish news weighed on prices. Some feel that most of the current bullish news has been in the markets and that either more US corn sales or the January USDA crop report to push prices to new highs. Fact the US corn prices are the lowest of global feed grains and USDA recent lower than expected estimate of US 2020 crop and 2020/21 carryout offers support to prices and should move prices higher in the remainder of the year or into Q1, 2021. Managed funds have been sellers of 5,000 corn. We estimate that the funds are net long 339,000 corn. Due to today's holiday US weekly export sales will be delayed until Friday and CFTC commit of traders report until Monday. Weekly US ethanol production was up 1 pct from last week but down 5 pct from last year. Stocks were up 2 pct from last week but down 4 pct from last year. Margins have improved. Trade estimates for US corn sales are near 700-1,600 mt. US corn export commit is near 33.1 mmt versus 11.9 last year. China is 10.7 with 5.2 in unknown. Last week's sales were near 2.6 mmt with Mexico the best buyers. USDA estimates US corn exports near 67.3 versus 45.1 last year.

December corn futures chart



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WHEAT

Wheat futures traded lower. WZ continues to trade below 6.00. KWZ traded below 5.50. Lack of new bullish news for corn and soybeans weighed on wheat. Some feel fact USDA continues to estimate World wheat end stocks still at record high limits the upside in prices. Trade remains concern about crop conditions in the Black Sea, US south plains and South America offset talk of higher 2021 Europe wheat crops. There remains concern that low EU feed grain supplies and potential increase in wheat feeding and less EU wheat exports has yet to filter into prices. Russia domestic prices continue to be all time highs. Spread between US and Russia continues to narrow. Managed funds have been sellers of 3,000 wheat. We estimated that the funds are net long 39,000 wheat. Due to today's holiday, US weekly export sales will be delayed until Friday and CFTC commit of traders report until Monday. Trade estimates for US wheat sales are near 200-700 mt. US wheat export commit is near 16.7 mmt versus 14.9 last year. Last week's sales were near 597 mmt. USDA estimates US wheat exports near 26.5 versus 26.2 last year.

December Chicago wheat futures chart



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