



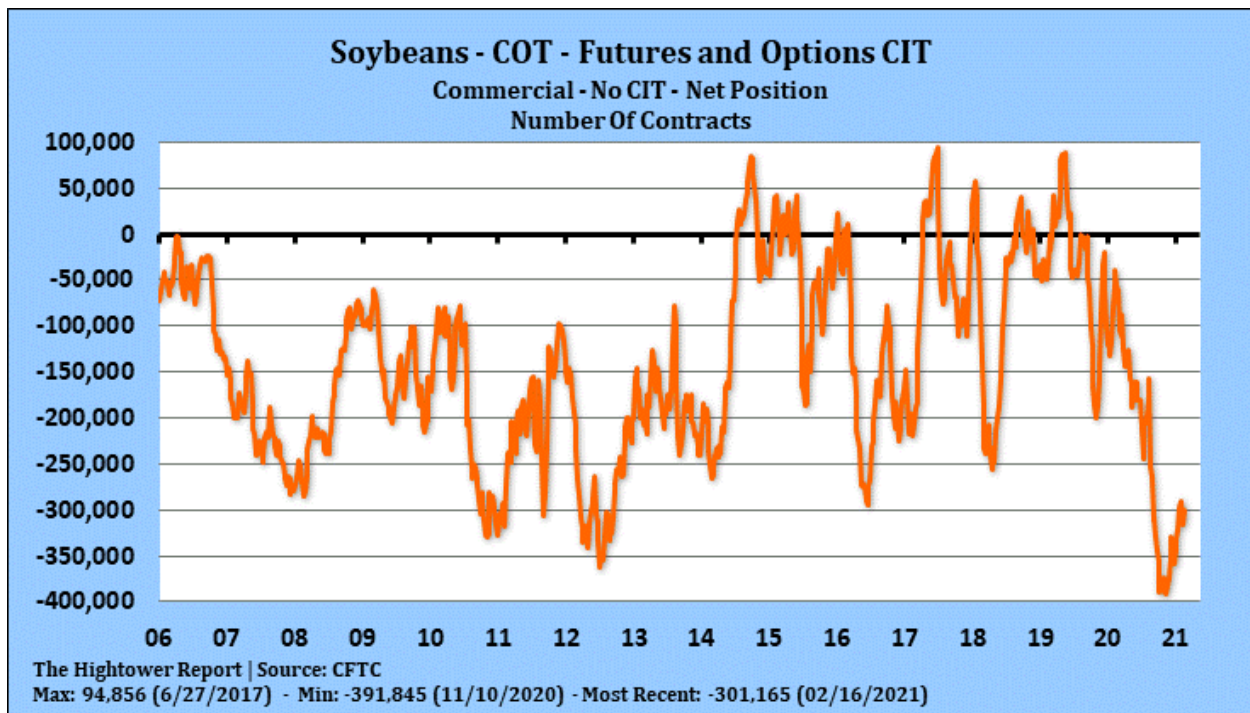
Market View

by Steve Freed VP ADMIS Grain Research

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SOYBEANS

Soybeans ended lower but off session lows. 2021 will be a volatile trade year with wide ranges. Early weakness linked to concern over lower new US Soybean export sales, potential lower China soybean import demand, weak financial markets and better Brazil weather and logistics. Talk that 2021 soybean rally is not over yet and dry Argentina weather offered support. SK Feb range was 13.37-14.43. US soybean processors likely crushed 195.6 mil bu in Jan. If realized, the crush would be up from the 193.7 mil bu in Dec and 188.8 mil bu crushed in Jan,2020. It would also be the biggest January crush on record. YTD US soybean export sales and exports are near 60.0 mmt vs 33.7 ly of which China is 35.8 mmt vs 12.2 last year. Argentina Oct-Jan soybean exports are only 200 mt vs 3.5 mmt last year. Soymeal exports are 7.5 mmt vs 9.2 last year.

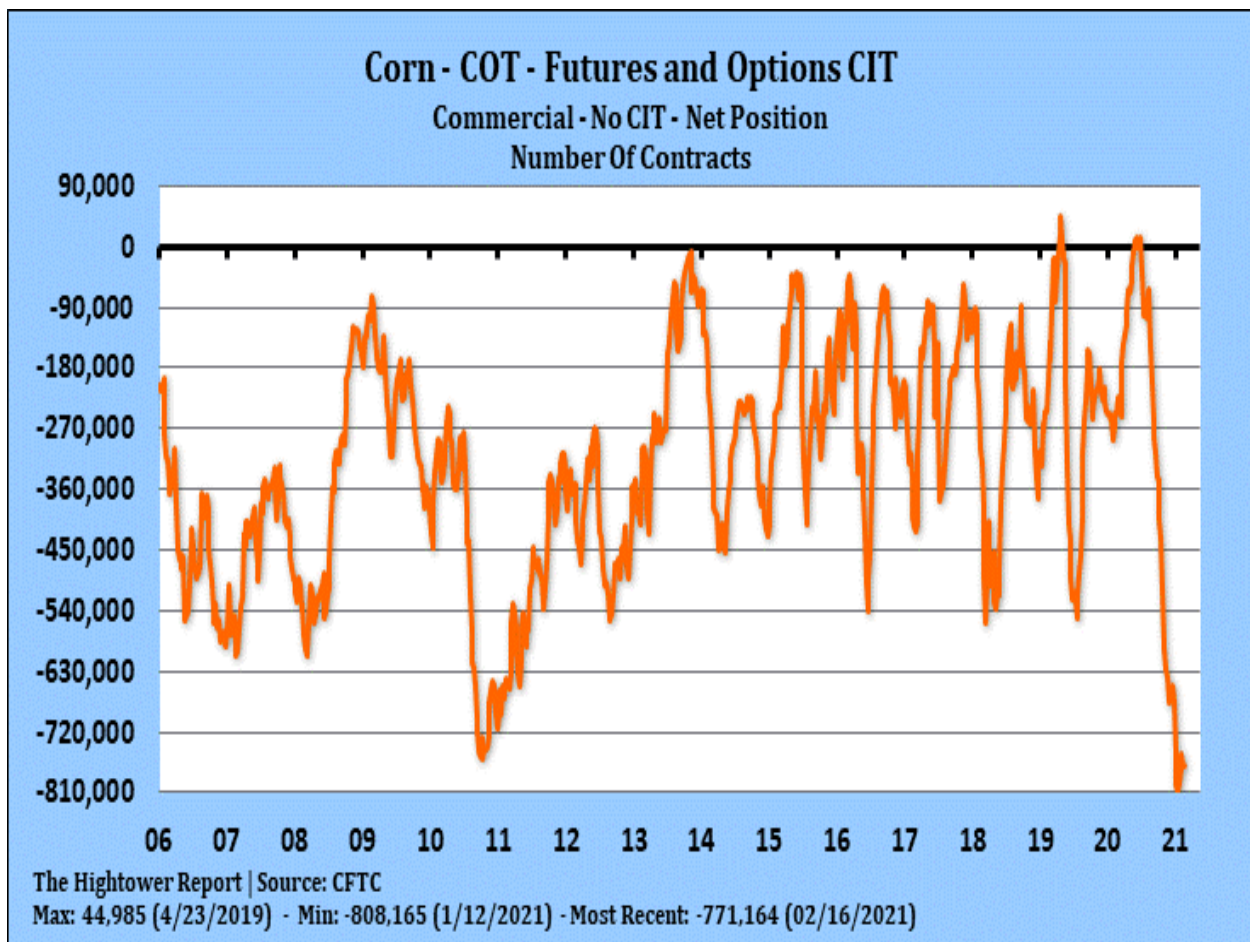


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CORN

Corn futures traded lower but off session lows. Weak financial markets and talk that seasonally corn futures traded lower into South America harvest and exports and into US spring planting season offered resistance. Talk that the 2021 corn rally may not be over yet due to tight US balance sheet offered support. 2021 corn traded will be volatile and US will need perfect weather to avoid higher prices. Fact that Delta forecast is wet could delay corn plantings there and could keep old crop supplies tight. The CH/CK corn spread is trading at a new high at a 7.5 cent CH premium. The strong premium of CH corn reflects the cash premiums being paid currently for Midwest cash corn. The US has a massive amount of corn that is sold and likely to be exported in coming months. Some feel weekly US corn exports could reach 100 mil bu. Feb May corn futures range was 5.24-5.74. Some feel CK has good support near 5.40. CZ support could be 4.50. World Jan-Dec 2020 7 major country corn trade was near 158.8 mmt vs 158.8 last year of which 51.8 was US vs 41.5, Argentina 36.8 vs 36.1, Brazil 34.6 vs 43.2 and Ukraine 27.9 vs 32.4. China imported 14.9 vs 4.7 ly. US weather and USDA March reports will be key to futures. Higher cash prices suggest futures are not doing a good job rationing demand.

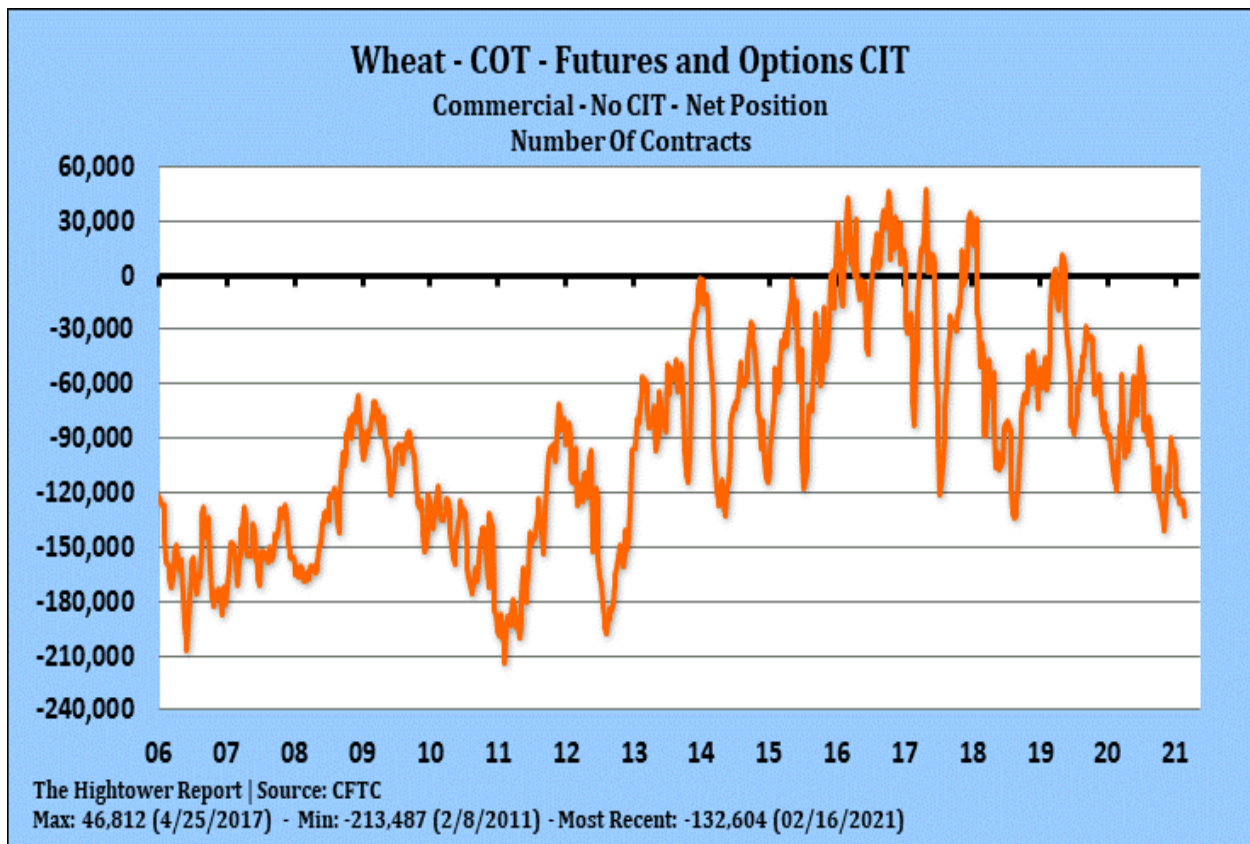


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WHEAT

Wheat futures traded lower. Weak financial markets and higher US Dollar may have weighed on prices. Wheat futures are overpriced given strong seasonal of lower price action into north hemisphere spring weather. Feb WK range was 6.25-6.83. Key WK support is near 6.56 then 6.46. The International Grains Council (IGC) on Thursday raised its forecast for global 2020/21 wheat production in its monthly update, IGC increased its global wheat crop forecast by 5 mmt to 773 mmt. The IGC raised its forecast for Australia wheat crop to 33.3 mmt from a previous forecast of 31.2. The IGC raised its outlook for Russia crop at 85.3 mmt, up from 84.5 seen previously. Jan-Dec G-7 World wheat trade was near 166.2 mmt vs 151.2 mmt of which 38.5 was Russia vs 31.9 ly. EU 35.8 vs 28.4, Canada 26.6 mmt vs 22.8 and US 26.1 vs 287.0. Africa imported 50.7 vs 48.0 ly, Egypt was 13.2 vs 13.0 last year. Asia 79.1 vs 69.0 of which China was 10.2 vs 2.7 ly.



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