



ADM Investor Services, Inc.

# ADM Investor Services Market View

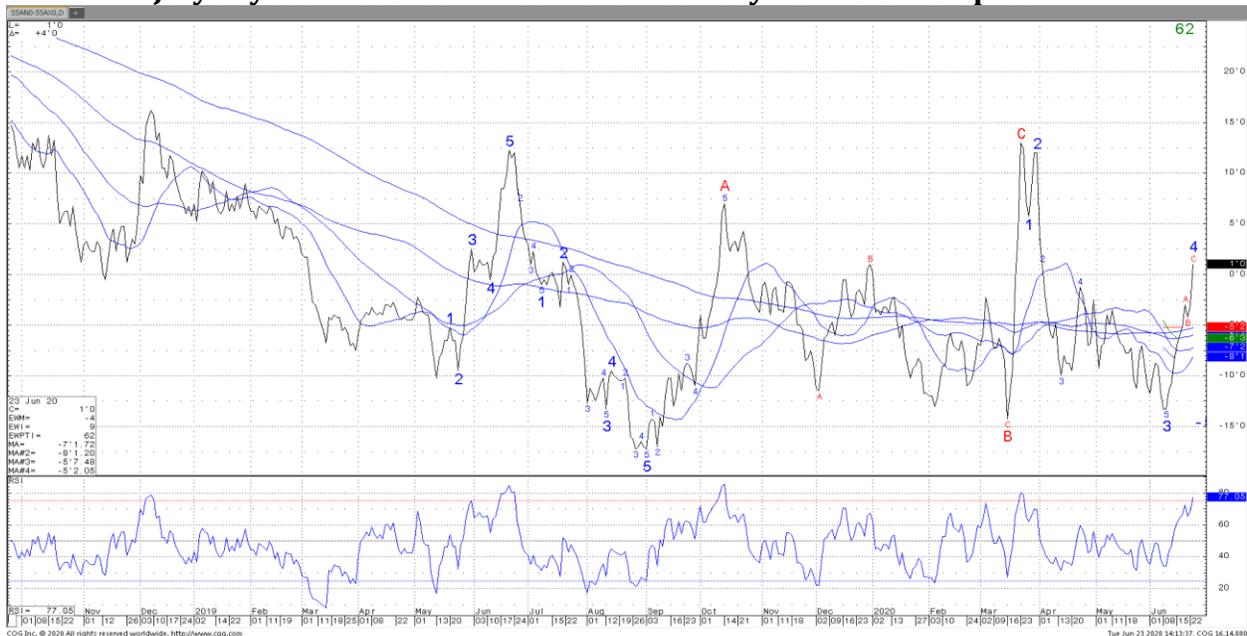
**June 23, 2020 by Steve Freed**

Soybean futures traded lower led by new crop Nov. Soyoil and corn traded lower. Wheat was mixed to higher. US stocks were higher. US Dollar was lower.

## SOYBEANS

Soybeans trade was mixed to lower. Word that China wants guarantee that imports of grains, soybeans and meat are virus free offered resistance. New crop Nov dropped on talk US 2020 supplies could be increasing. SN gained on SX in an attempt to move commercial owned soybeans to crushers. US June 1 hog and pig report should show hog numbers up 3 pct, kept for breeding down 2 pct and marketings up 4 pct. US Midwest could see short waves of showers every 3-4 days favoring the eastern states. Delta could also see heavy rains. There will be some ridging in south plains but normal rains are forecasted for the Midwest through July 10. USDA rated the US soybean crop at 70 pct good/ex. Best crops are in the west states of IA, MN, SD and WI. Trend yields are lower in the east especially OH, IN, MO and MI. ND crop is also rated below average. Assuming that final acres may be higher than USDA March guess, the US 2020 soybean crop could be near 4.300 mil bu. This assumes a yield near 51.0. This would suggest a 2020/21 US corn carryout near 550 mil bu. Assuming normal weather this would suggest Nov soybean might eventually trade below 8.00.

### July soybean futures minus November soybean futures spread



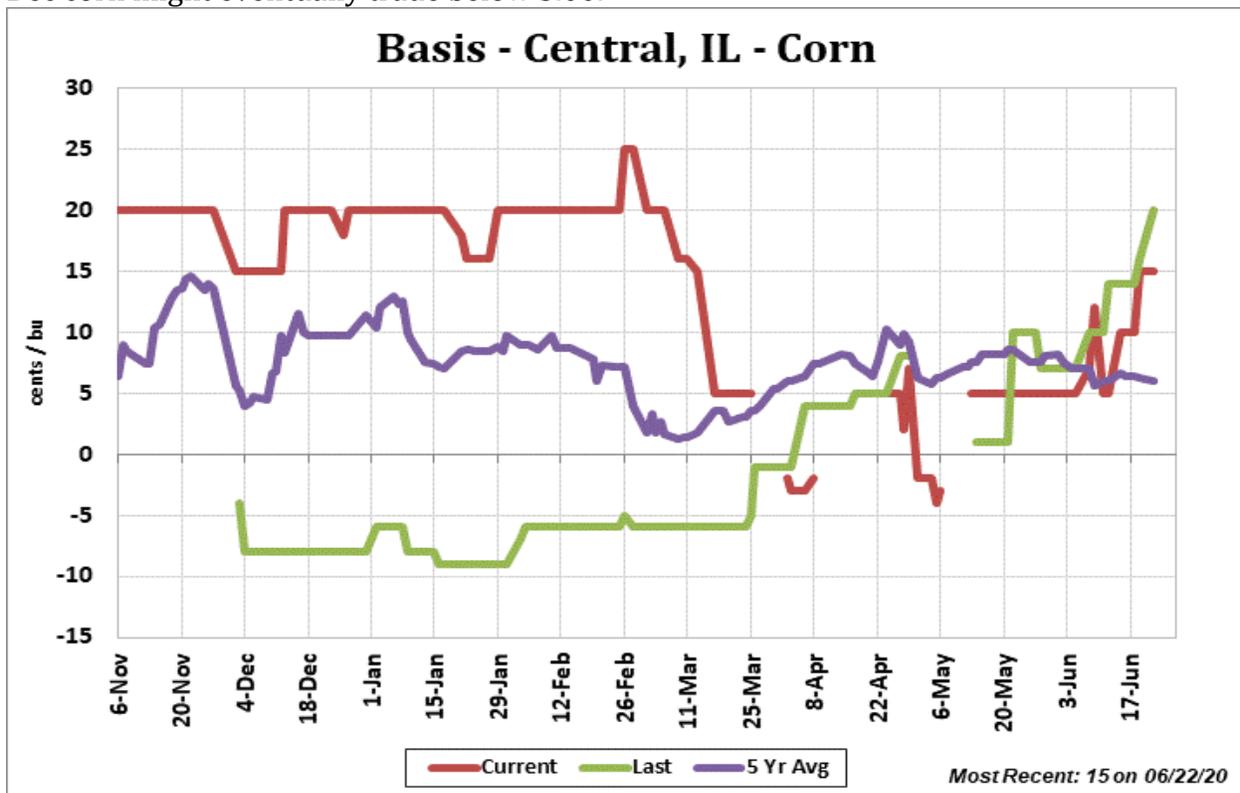
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## CORN

Corn futures traded lower. Concern about demand and a mostly favorable US Midwest 2 week forecast weighed on prices. Talk that last week's US ethanol production increased and stocks dropped offered support to US domestic basis and futures. Word that China wants guarantee that imports of grains and meat are virus free offered resistance. New crop Dec dropped on talk US 2020 supplies could be increasing. US June 1 hog and pig report should show hog numbers up 3 pct, kept for breeding down 2 pct and marketings up 4 pct. US Midwest could see short waves of showers every 3-4 days favoring the eastern states. There will be some ridging in south plains but normal rains are forecasted for the Midwest through July 10. USDA rated the US corn crop at 72 pct good/ex. Best crops are in the west states of IA, MN, SD and WI. Trend yields are lower in the east especially OH, IN and MI. Assuming that final acres may be lower than USDA March guess, the US 2020 corn crop could be near 15,650 mil bu. This assumes a yield near 179.5. This would suggest a 2020/21 US corn carryout near 3,500 mil bu. Assuming normal weather this would suggest Dec corn might eventually trade below 3.00.



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## WHEAT

Wheat futures closed mixed. Chicago and KC gained on corn and spring wheat. July Chicago wheat minus July corn spreads has dropped from a high in April of +229 to yesterday low on +148. Most of the drop was in wheat due to increase harvest activity and lower Europe, Russia and Australia prices. Today's action may be linked to new bearish news in corn. Spring wheat futures may have traded lower on talk that China may be requesting exporters guarantee that shipments are virus free. USDA rated the US winter wheat crop at 51 pct good/ex. 29 pct of the winter wheat crop s harvested. USDA also rated the US spring wheat cr 75 pct good/ex. The US 2020 wheat crop could be near 1,915 mil bu versus USDA 1,877 and 1,920 last year. This assumes a yield near 50.4 versus USDA 49.8 and 51.7 last year. This would suggest a 2020/21 US wheat carryout near 963 mil bu. Assuming normal weather this could suggest July Chicago wheat might eventually trade below 4.70.



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