



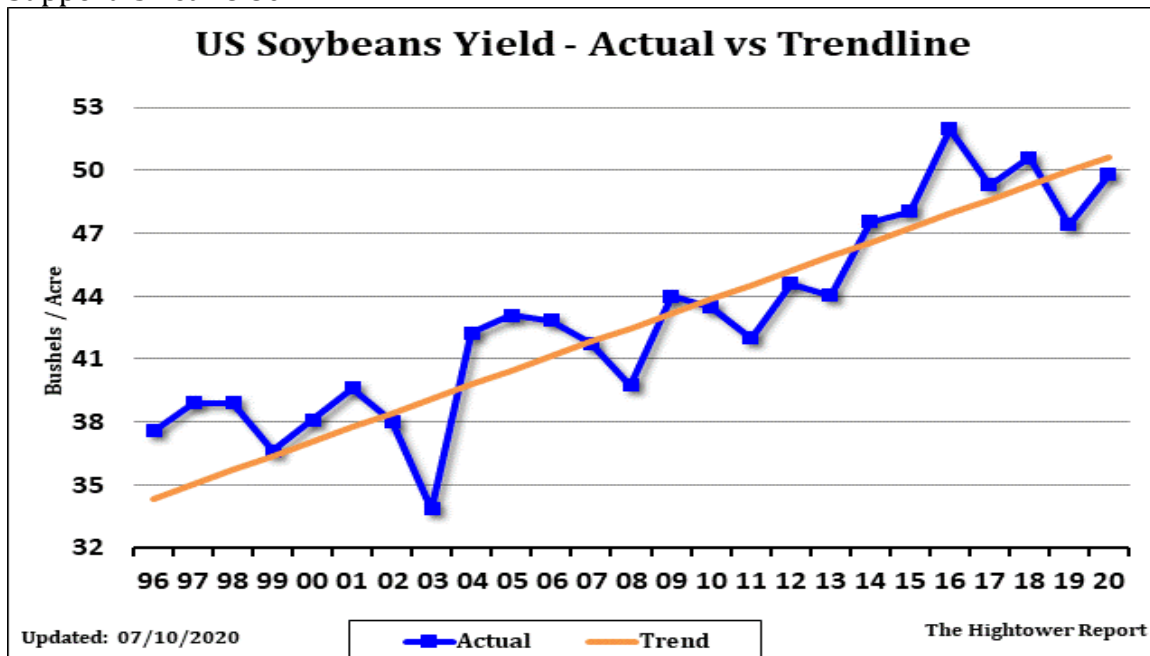
ADM Investor Services Market View

July 20, 2020 by Steve Freed

Soybeans and soymeal traded higher. Soyoil was unchanged. Corn and wheat traded lower. US stocks were mixed and traders assess impact Covid will have on global economies. Crude turned higher. Gold was higher.

SOYBEANS

Soybeans traded higher. Managed funds added to net long after USDA announced a small new crop soybean sales to China. Traders are trying to balance China demand versus mostly favorable forecast for US Midwest weather. Trade is looking for a small 1 pct drop in US soybean crop ratings. USDA estimate of 2020 US yield near 49.8 looks ok for now. This would produce a crop near 4,135 mil bu. Carryin is estimated near 620. This gives total supply near 4.770 mil bu versus 4.476 last year. Total demand is est near 4,345 versus 3,857 this year. This leaves a carryout near 425. Bears feel USDA may be too high in demand and final carryout could increase. Weekly US soybean exports were near 16 mil bu versus 21 last year. Season to date exports are near 1,407 mil bu versus 1,443 last year. USDA goal is 1,650 versus 1,752 last year. Soybean futures continue to trade higher on low volume and drop in open interest. SU is near 9.00 resistance. Next resistance is 9.80. Support is near 8.80.

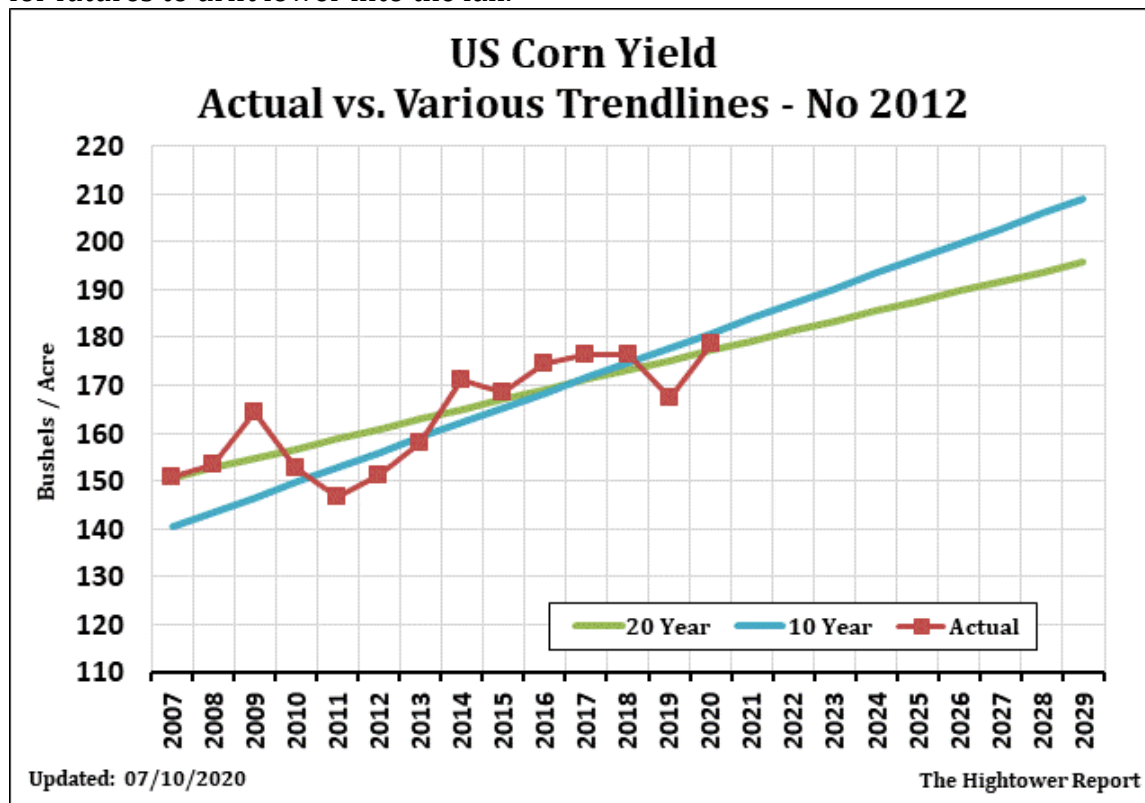




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CORN

Corn futures traded lower. Some feel that scattered rains across the US Midwest is enough to insure an above average crop. Managed funds added to their net short on talk of a big US crop. Temps moderate this week but ridge returns to SW this weekend. USDA Estimates US 2020 corn yield near 178.5 versus 167.4 last year. Some feel final yield could be between 179-184. This would produce a crop near 15.0 bil bu versus 13.6 last year. Total supply could be near 17.2 bil bu versus 15.9 last year. USDA estimates US 20/21 total demand near 14.6 bil bu versus 13.6 this year. Some feel USDA demand estimate could be to high. This leaves a 20/21 US carryout near 2.6 bil bu versus 2.2 this year. Weekly US corn exports were near 45 mil bu versus 17 last year. Season to date exports are near 1,431 mil bu versus 1,716 last year. USDA goal is 1,775 versus 2,066 last year. Sep corn futures remain in a 3.20-3.40 range. Open interest has dropped from recent highs. Bears still look for futures to drift lower into the fall.





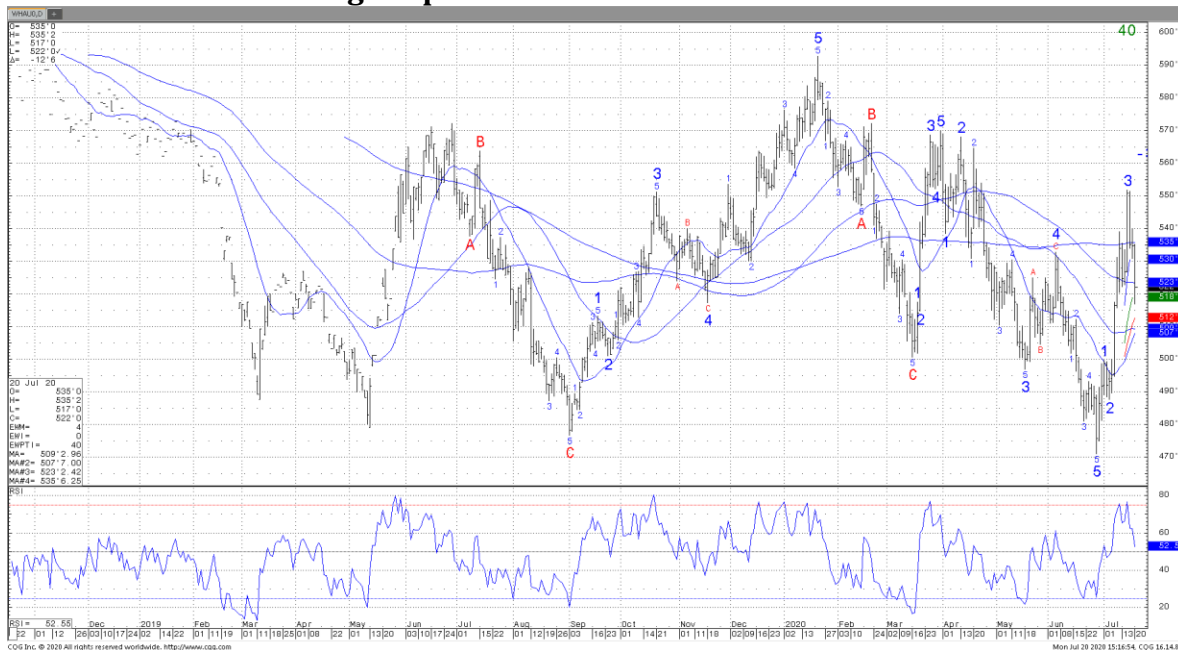
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WHEAT

Wheat futures traded sharply lower. Drop in Matif futures triggered new fund selling. Lack of confirmation of China buying US SRW also offered resistance. Trade remains low volume and open interest declined. Slow demand for World exports offers resistance to prices. USDA estimates US 2020 wheat crop near 1,824 mil bu versus 1,930 last year. Total supply is 3,007 mil bu versus 3,105 last year. USDA estimates total demand near 2,065 mil bu versus 2,061 last year. This leaves carryout near 942 versus 1,044 last year. Weekly US wheat exports were near 18 mil bu versus 16 last year. Season to date exports are near 131 mil bu versus 125 last year. USDA goal is 950 versus 965 last year. World 2020 wheat crop is estimated near 769 mmt versus 764 last year. Demand is est near 751 mmt versus 747 last year. End stocks are estimated near 314 mmt versus 297 last year.

Chicago September wheat futures chart



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