



# ADM Investor Services Market View

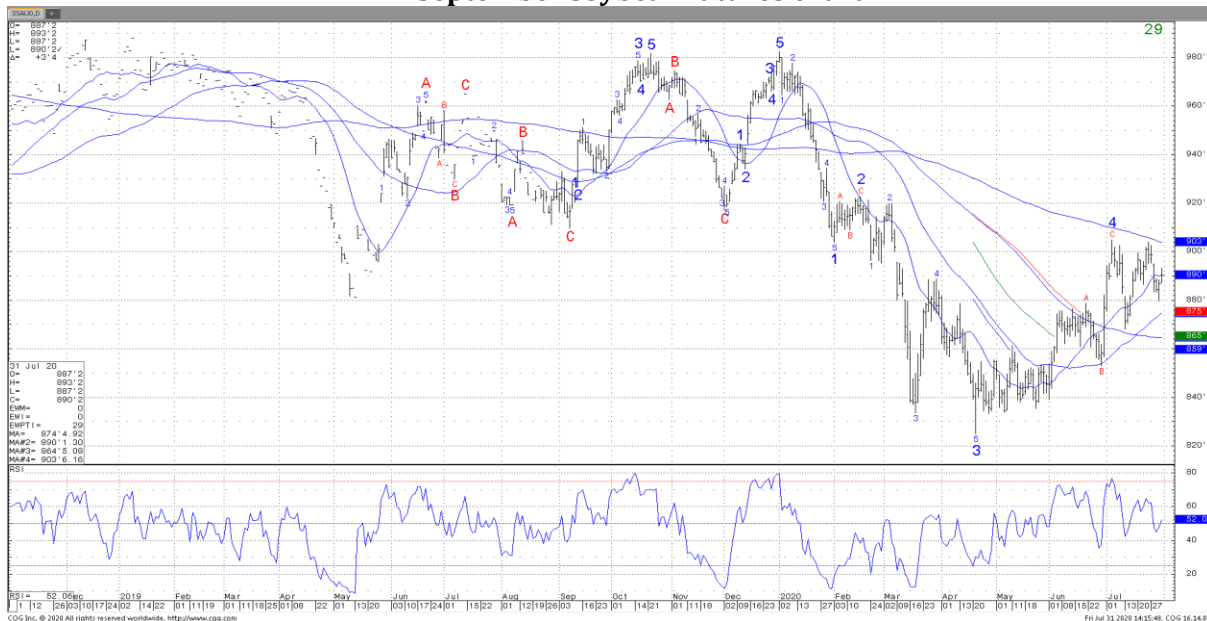
July 31, 2020 by Steve Freed

Soybeans and soyoil traded higher. Soymeal, corn and wheat traded unchanged. US stocks were lower. US Dollar was higher. Crude was higher. Gold was higher.

## SOYBEANS

Soybeans traded higher. Funds added to the net soybean long on hopes of additional China buying US soybeans. Some feel China may have to buy 17 mmt (620 mil bu) US soybean Oct-Jan. This could offer support to prices. Still US farmer will have a large crop to harvest and higher soybean prices versus corn suggest he should sell soybean and store corn. Talk of a record Brazil 2021 soybean crop could also limit gains. Next week's USDA soybean rating should increase and suggest a US 2020 soybean yield over 50. September soybean futures continue to trade in an uptrend since April lows. Managed funds are net long soybean futures. Most link this to China buying record amount of soybean for import. Key to prices will be amount China buys from US. September soyoil future are also in an uptrend. BOU is testing 30.60 resistance. Next resistance is near 31 cents. Support is near 29 cents. Some link the rally to increase China demand and concern about palmoil production. September soymeal futures has been in a 285-295 trading range since May. Some feel World soybean crush rate may be too high for demand. Most will be watching US feed demand and China hog numbers for direction.

September soybean futures chart



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and in any way deemed to be endorsed by or attributed to ADMIS.

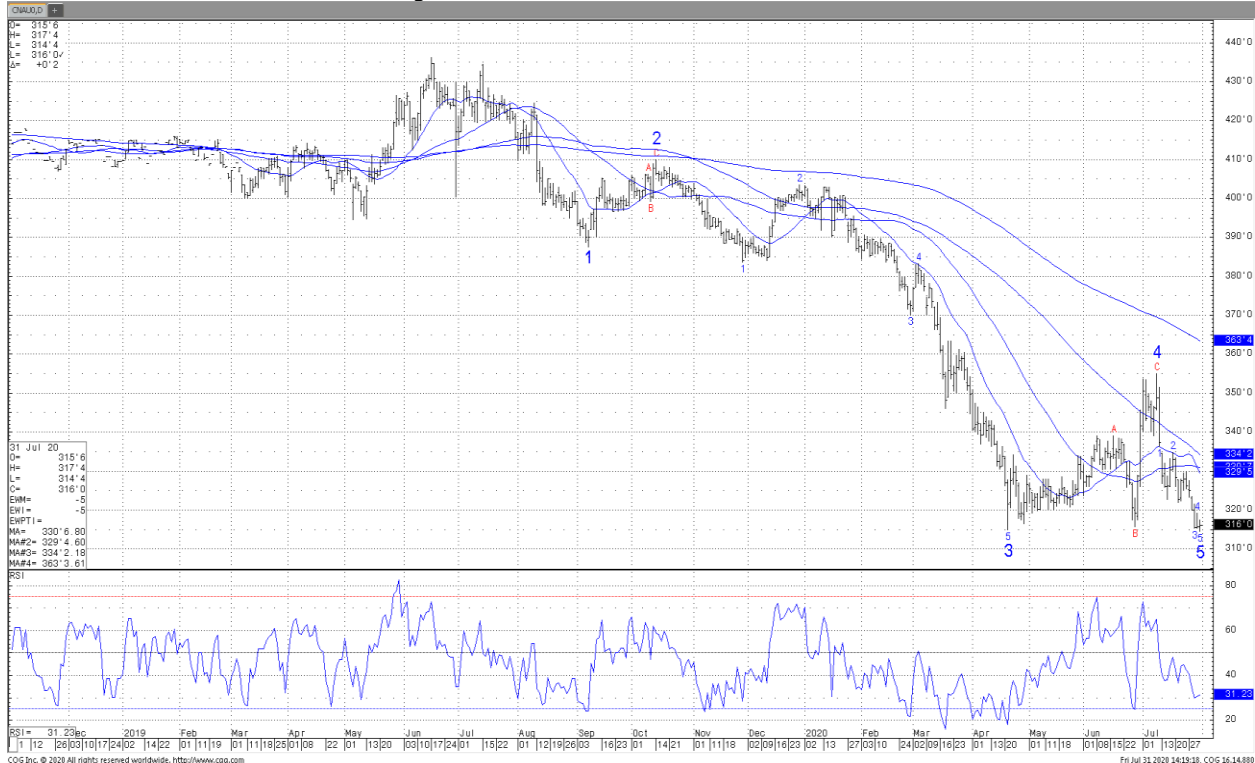


# ADM Investor Services Market View

## CORN

Corn futures closed unchanged. Futures have been grinding lower near contract lows. Managed funds continue to add to their net short position. This week, US corn crop ratings increased more than expected. This weighed on prices. Next week's USDA corn rating should increase and suggest a US 2020 corn yield over 180. Over the next 7 days, US Midwest rains will focus on the south Midwest, Ohio valley and Delta. Midwest temps have moderated and are near normal. Next week rains should be scattered across the Midwest with reduce coverage in the northern areas. Despite almost record Q4 US corn export sales, talk of a record US 2020 supplies offers resistance. Drop in ethanol demand also offers resistance. Fact US farmer may have a record corn supply to sell at this year's harvest limits gains in futures. Some are adding 200 mil bu to US 2020/211 caryin, 500 mil bu to crop and drop demand 175. This could add 875 mil bu to USDA 2,648 mil by carryout. Pro Farmer will have their annual crop tour Aug 17-20. They will social distance but have a free live recap after every day.

### September corn futures chart



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.



ADM Investor Services, Inc.

# ADM Investor Services Market View

## WHEAT

Wheat futures managed small gains. September Chicago wheat futures continues to hang around 5.40 resistance. Talk of slow farmer selling in EU and Russia plus talk of lower supplies there offers support. Dryness in Argentina is also supportive. Still, talk of lower World demand due to Covid offers important resistance. Many North Africa countries rely in tourist income to buy imported goods. For many that income stopped when virus was first detected and continues as virus spreads. Lower corn prices should weigh on wheat futures. So far, lower US Dollar is not helping demand for US wheat exports. US winter wheat harvest is almost done. Demand for both US SRW and HRW remains slow. This week's US HRW sales to Brazil could tighten supply if continued. US spring wheat crop showed improvement. EU trimmed their 2020 crop size. Russia spring wheat crop areas continue to see mostly dry weather. Yields are improving as Russia winter wheat harvest advances. Argentina announced lower planted wheat acres due to dryness.

**Chicago September wheat futures chart**



Open an Account  
with ADMIS

Learn how to better manage risk  
exposure and hedge business activities.  
Visit [admis.com](http://admis.com) or call 1.800.243.2649



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. The author of this report did not have a financial interest in any of the contracts discussed in this report at the time the report was prepared. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS.