



# ADM Investor Services Market View

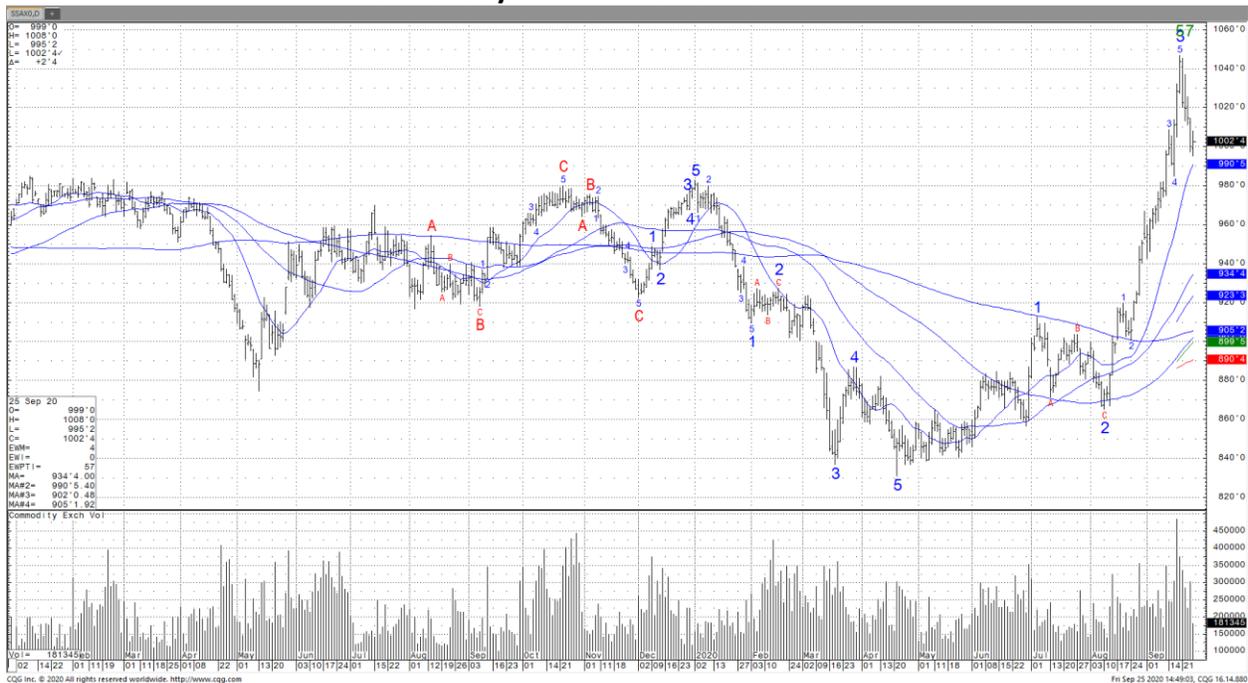
## September 25, 2020 by Steve Freed

Choppy grain traded going into the first big US corn and soybean harvest weekend. Soybeans, soymeal, soyoil and corn traded higher. Wheat traded lower. US stocks turned higher. US Dollar was higher. Crude was unchanged. Gold was a little lower.

### SOYBEANS

Soybeans traded higher. Concern about US harvest pressure and for the second day there were no US soybean sales announced to China offered resistance. Concern over dry weather in parts of Brazil and fear that La Nina could lower Argentina and south Brazil 2021 crops offered support. There was a sale of 100 mt US soybean meal announced. This followed talk that Brazil crushers may soon begin to take annual downtime for maintenance. US soybean harvest is expected to be near 16-18 pct done. Domestic US soybean cash basis levels are seeing some seasonal pressure on prospects US farmers will sell cash and begin to fill the demand pipeline. Despite the dry August bringing the crop size down from early expectations, US farmers are expected to harvest the 3<sup>rd</sup> largest US crop. USDA will estimate US Sep 1 stocks Sep 30. Average trade guess is 576 mil bu versus USDA 575. Range is 490-608. China will be on holiday Oct 1-7. Next USDA crop report is Oct 9.

November Soybean Futures Chart



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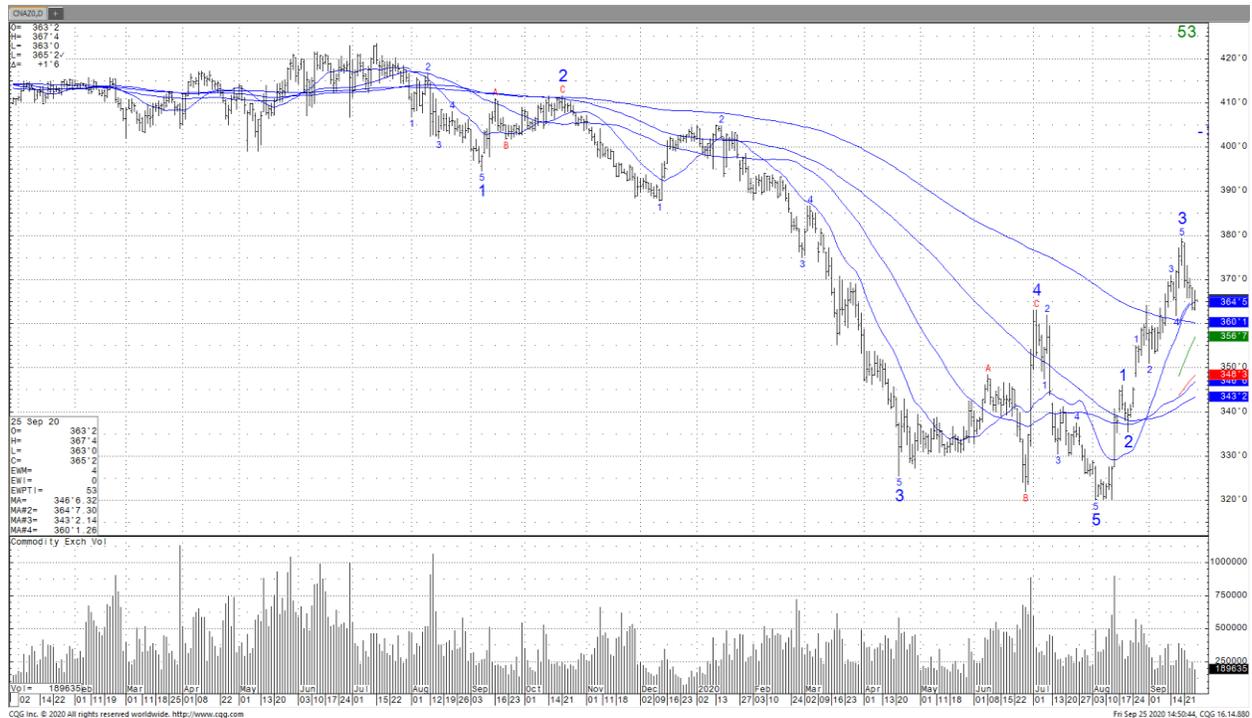


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## CORN

Corn futures traded higher. Uncertainty over the size of the US 2020 corn crop offers support. Large US corn export commitment helps offset the fact managed funds have a small long position going into US harvest. Dry US August reduced the size of the US crop from early expectations. Still, US farmers are expected to harvest the 2<sup>nd</sup> largest corn crop. Most looks for US harvest to be 15-17 pct done. Early yields in IL are being reported higher than expected. Still there is concern about Iowa final acres and yield. Concern about increase in Covid cases could continue to slow the US gas use and also ethanol. USDA will estimate US Sep 1 corn stocks on Sep 30. Average trade guess is near 2,250 mil bu versus USDA 2,253. Range is 2,120- 2,574. There is usually a surprise to this number since USDA does not count corn in transit or in barges. Farmers should be holding a larger than normal pct of the stocks. China holiday will be Oct 1-7. Next USDA crop report in Oct 9. US 2 week weather forecast calls for below normal rains and below normal temps. There could be a frost/freeze next weekend. Central Brazil is dry. Argentina could see needed rains. They will need more given talk historically, La Nina tends to suggest drier than normal Argentina and south Brazil weather.

December corn futures chart



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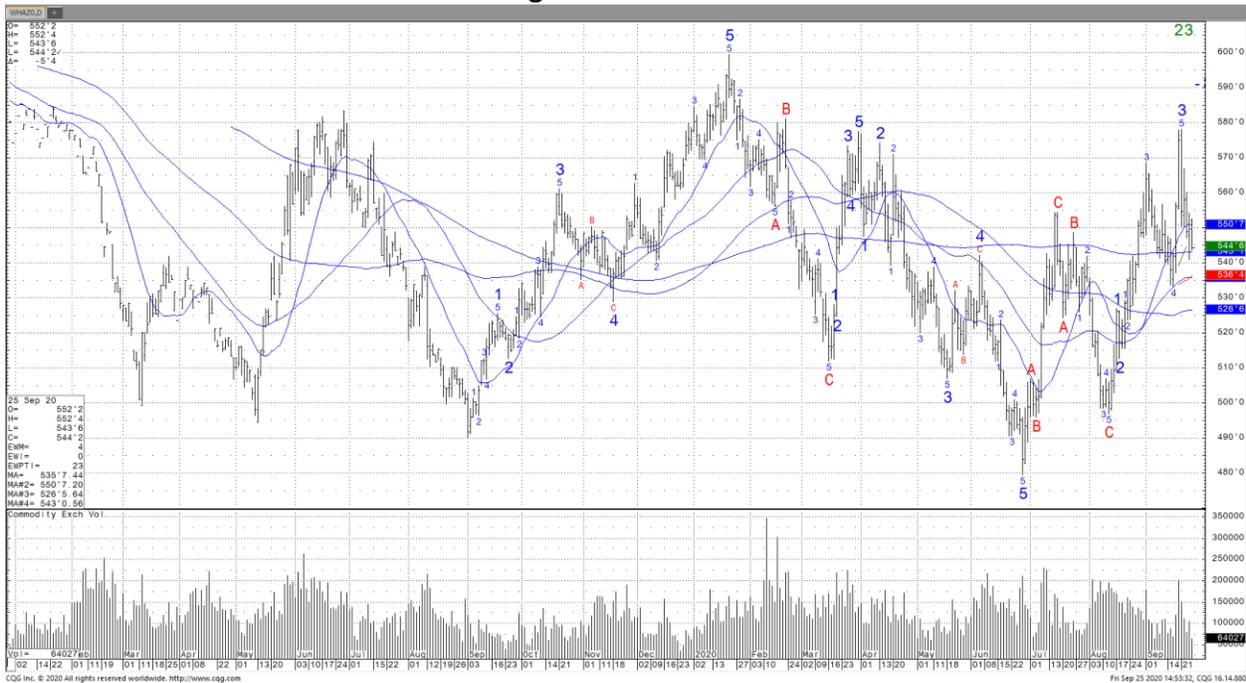
ADM Investor Services, Inc.

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## WHEAT

Wheat futures traded lower. Higher US dollar and forecast of rains in most of Europe, Ukraine and Argentina offered resistance. French wheat futures traded lower. Dry weather in Russia and forecast that a blocking ridge could reduce rain there offers support. Most look for wheat futures to continue to trade in a broad range with talk of lower Russia crop supportive but higher global supplies and concern about global demand due to increase cases of Covid offers resistance. US south plains could also use a rain to help planting and early germination of the US 2021 winter wheat crop. On Sep 30 USDA will estimate US Sep 1 stocks. Average trade guess is 2,242 mil bu versus 2,346 last year. Range is 2,150-2,380. This is always an interesting number. At times, USDA number implies higher quarterly feed use than the entire year. International Grain Council estimated World wheat crop near 763 mmt and use near 749. USDA estimates the crop near 770 mmt versus 764 last year and total use near 750 mmt.

December Chicago Wheat futures chart



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