



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 3rd 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



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.

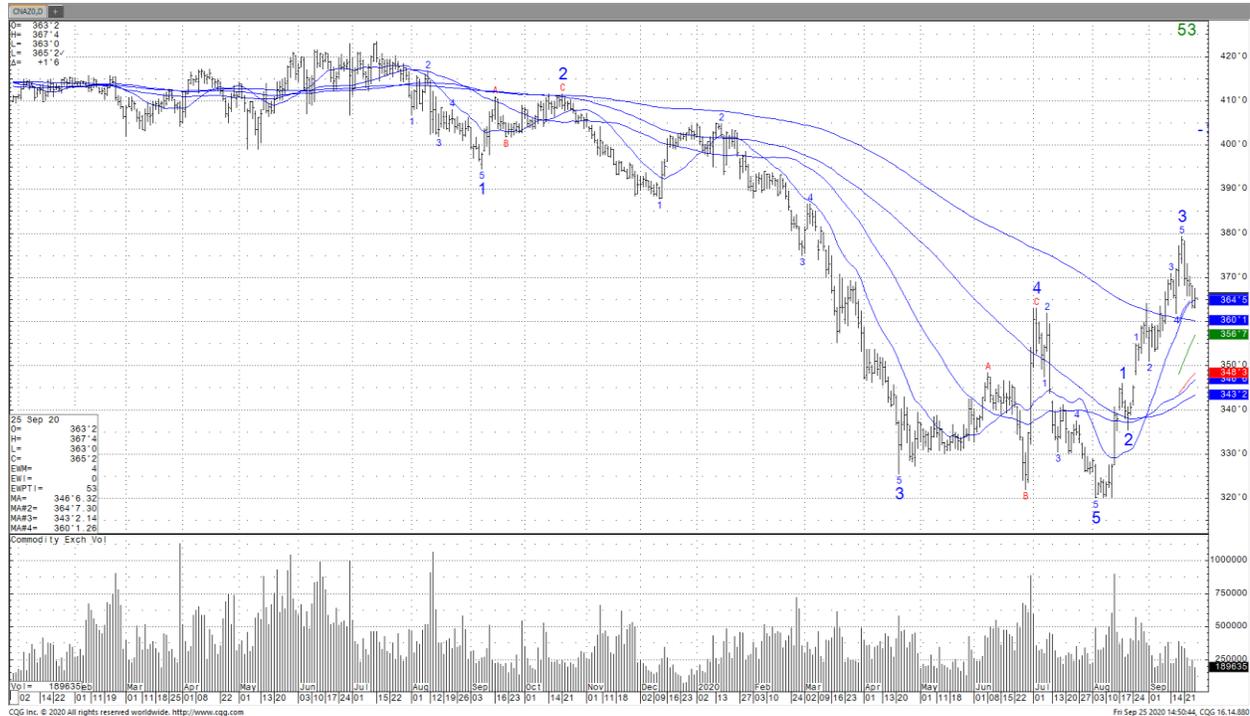


ADM Investor Services Market View

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 2nd 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



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.

