



ADM Investor Services, Inc.

ADM Investor Services Market View

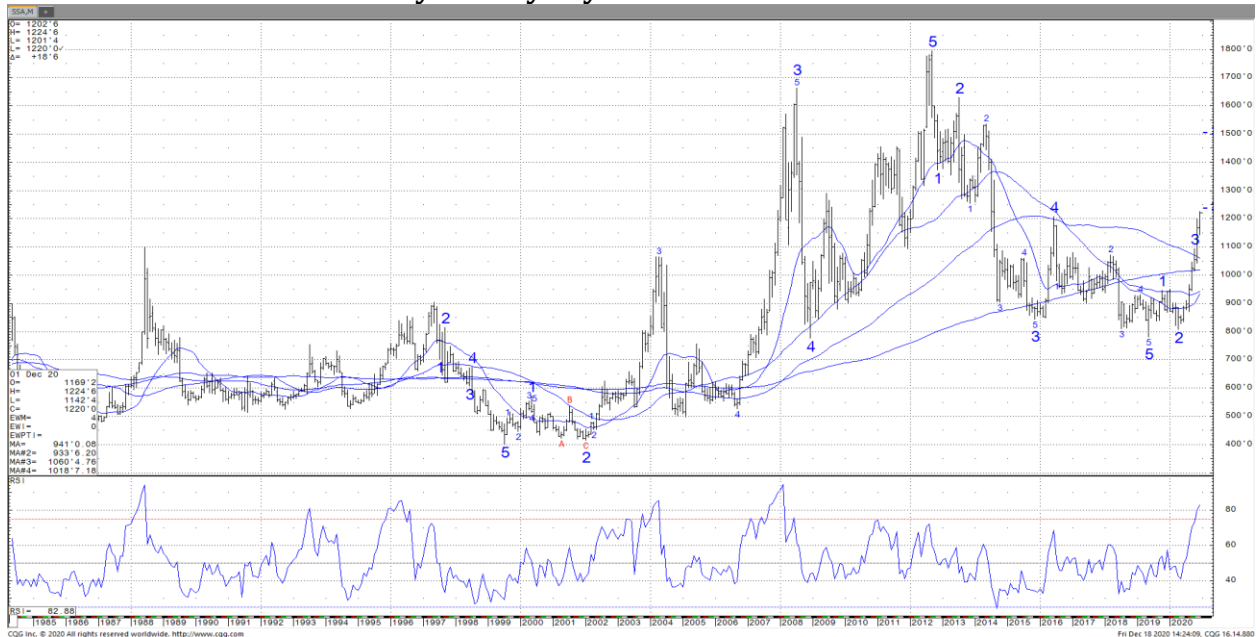
December 18, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil and corn traded higher. Wheat was down slightly. US stocks were lower. US Dollar was higher. Crude was higher. Copper was higher.

SOYBEANS

March soybean finally traded/closed over 12.00 resistance. Talk of higher demand for US soybean crush and exports plus concern about drier than normal La Nina weather across S Brazil, Argentina and south US helped push prices higher. There is little selling above the market and a new positive chart pattern attracted new buying. Next SH objective could be 13.00. World vegoil prices continue to trade higher due to tightening supplies especially sunoil and canola oil. These higher prices should support higher soyoil prices. Malaysian palmoil futures made new highs near 3,535. Next objective is 4,000. Argentina dock strike has slowed exports. There are no Argentina soymeal or soyoil export offers. All of this has Hightower suggesting to buy SMN21 and sell SMZ21. 5 of previous 6 years when World soybean stocks were tight versus demand, SMN-SMZ tested +160. US soybean export commit is near 90 pct of USDA export goal. Some feel USDA will eventually have to raise US exports 100 mil bu. Sunday/Monday trade may be all about weekend SA rains.

Monthly nearby soybean futures chart



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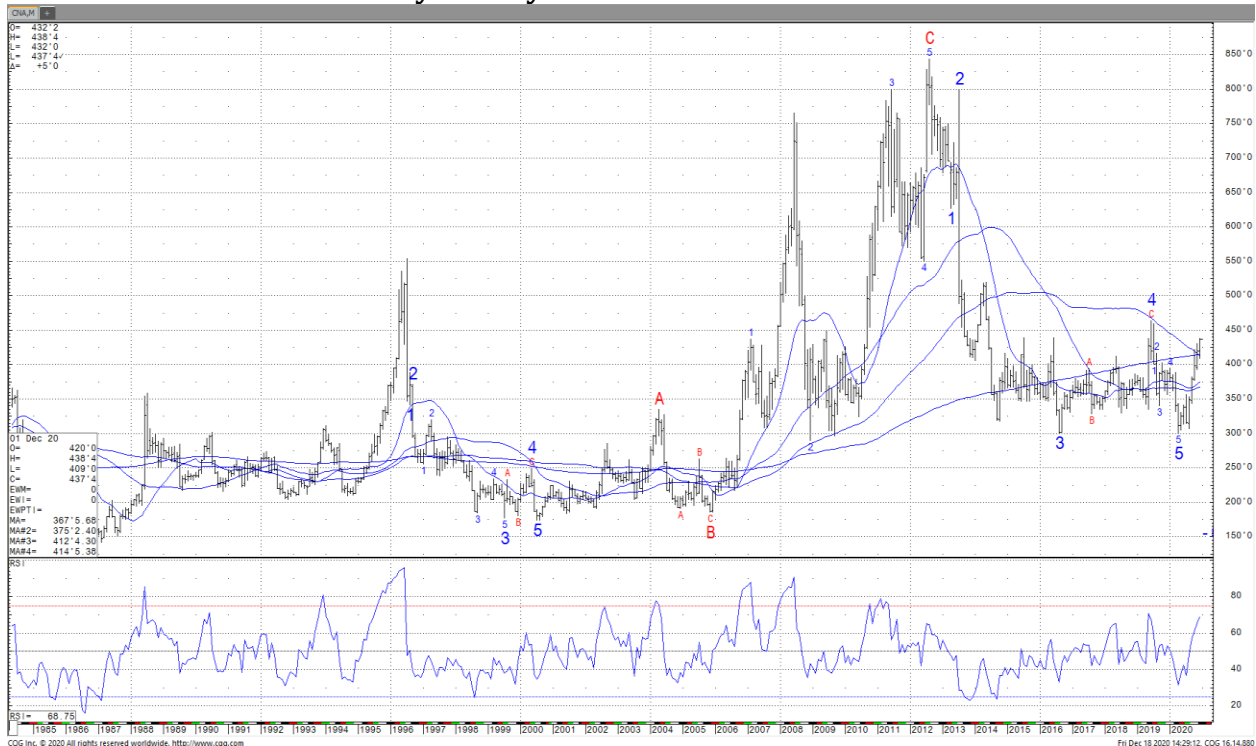
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CORN

Corn futures traded higher and finally traded/closed over 4.30 CH. Some feel next objective is 4.39 then 4.60. Trade was supported by strong US cif corn basis and concern about South America weather. Some feel strong basis could be an indication of new China interest in US Corn. 32 month low in US Dollar and 30 month high in Euro could help demand for US Ag exports. China has bought through October \$27.2 billion of US goods versus \$36.6 promised under the Phase 1 trade deal. Some feel in 2021 China could buy \$44 billion of US goods. Some feel the breakout on the upside give a positive outlook for prices. There may be limited selling above the market. La Nina could also keep S Brazil drier than normal. Some are beginning to lower Brazil 2021 corn crop to 102. Some now estimate that 2021 South America corn production could drop 15 mmt below USDA last guess. This could be close to 560 mil bu. Some of this could be added to US exports and lower US carryout. This week, a private estimate of US 2021 corn planted acres may be to low for demand and increase carryout. Futures may also need to trade higher to encourage more 2021 acres.

Monthly nearby corn futures chart



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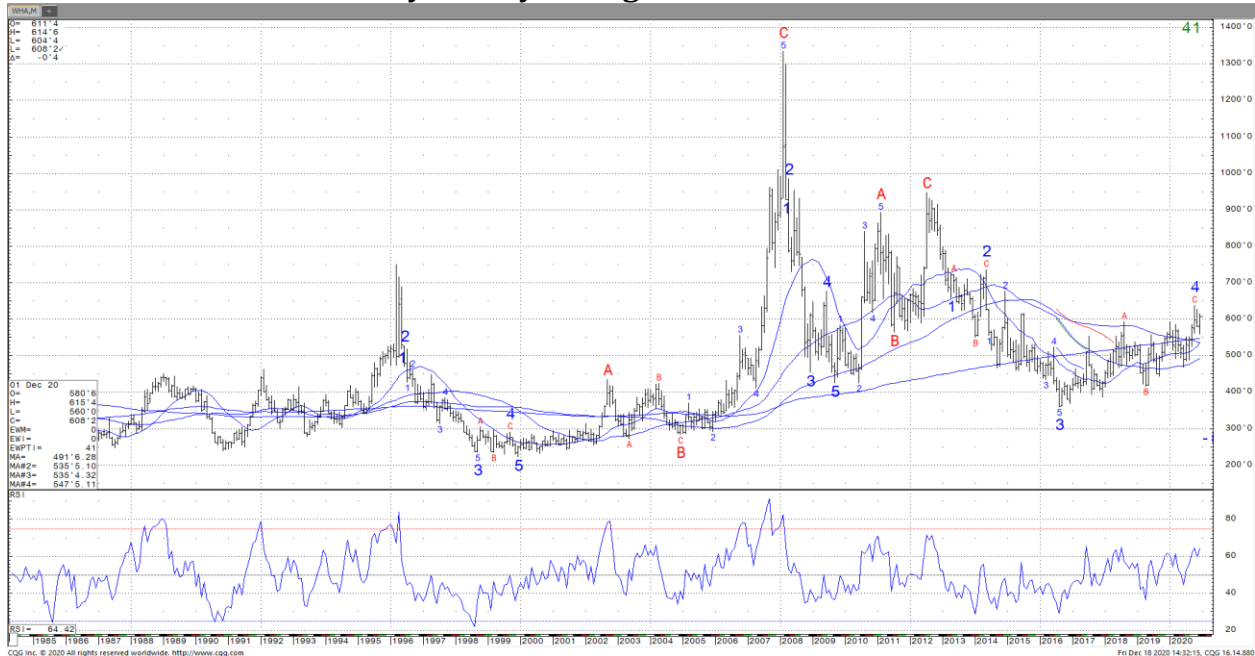
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WHEAT

Wheat prices drifted lower. Some new spreading of long corn and soybean and short wheat may have offered resistance to Wheat prices. Wheat continues to find resistance from latest USDA estimate of World wheat supplies/stocks. While down from last month due to increase World wheat feeding it is still adequate for forecasted demand. NOAA 90 day US weather forecast calls for above normal temps and below normal rains in the south and above normal rains in the Ohio river valley. Our weather guy is concerned that a positive PDO and longer lasting La Nina could dry out US 2021 spring and summer. US Midwest and plains soils are already short of moisture going into the 2021 crop season. Paris Wheat futures traded higher. There is talk that Russian customs is no longer offering export documents for wheat. This has raised concern that they are trying to preserve wheat supplies for domestic use. Russia Feb 15 export tax keeps their prices out of the export market.

Monthly nearby Chicago wheat futures chart



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