



ADM Investor Services, Inc.

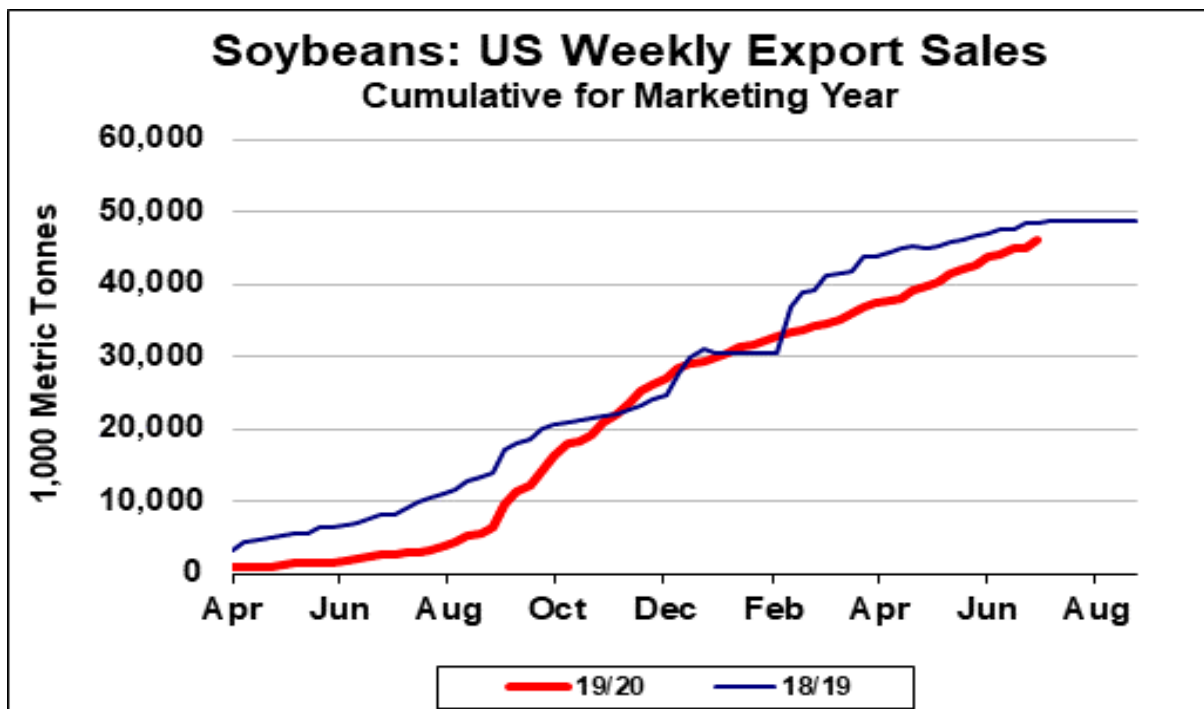
ADM Investor Services Market View

July 15, 2020 by Steve Freed

Soybeans, soyoil and soymeal traded higher. Corn was unchanged. Wheat traded sharply higher. US stocks were higher. US Dollar was lower. Crude was higher.

SOYBEANS

Soybeans traded higher supported by new US new crop sales to China. Higher World vegoil prices supports soyoil which also supported soybeans. Rally in vegoil is led by palmoil and on concerns about supply. Some feel rally could be limited due to concern about lower Demand due to the spread of the virus. Rains across the Central US Midwest should help crops there. This week, USDA dropped the US weekly soybean crop ratings due to stress in NE and east Midwest. USDA announced a sale today of 389 mt US new crop soybean to China. Weekly US old crop soybean export sales are estimated near 300-850 mt versus 952 last week. New crop soybean sales are estimated near 400-900 mt versus 382 last week. US NOPA June soybean crush was 167 mil bu versus 162 expected, 169 last month and 149 last year. Some were looking for lower crush due to drop in margins. Managed funds are long soybean and soyoil and short soymeal.



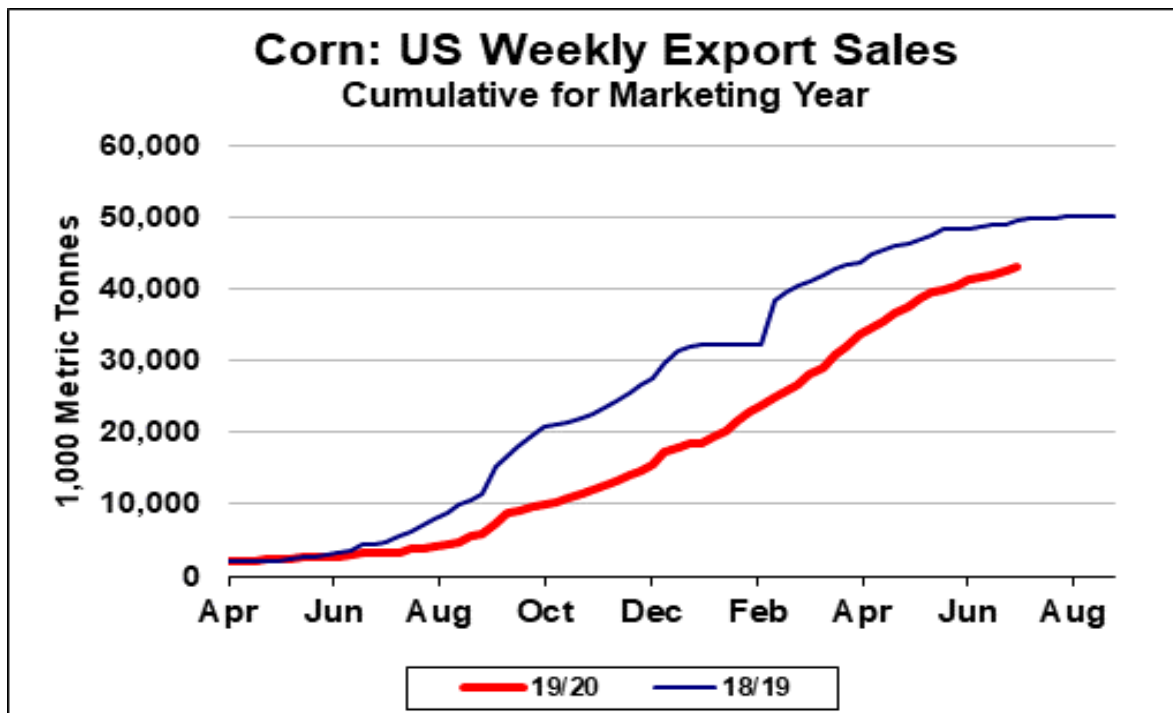
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CORN

Corn futures traded unchanged. Talk that US corn may be running out of time for weather to hurt yields enough to lower the carryout and rally prices. This week, USDA dropped US corn crop ratings due to stress in NE and east states. Rains this week across the Central Midwest could help crops there. Corn could find support from higher equity and commodity prices on talk that test on humans is proving successful in making antibodies. Resurgence of the virus especially south states raised concern that restaurants could be closed which would slow food demand. Livestock supply already exceeds demand. Weekly US ethanol production was up from last week but still below last year. Stocks were unchanged from last week but are below last year. Margins improved last week. Weekly corn use for ethanol was near 93 mil bu. Use need to average 92 per week to reach USDA goal. Recent drop in corn prices has weighed on ethanol futures and dropped margins. Weekly US corn export sales are estimated near 600-1,000 mt versus 599 last week and new crop 900-1,600 mt versus 409 last week. New China sales should be reported. After the USDA June acreage report funds liquidated a big pct of the net futures short. over the last few days they added to their short due to improving US Midwest weather.





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WHEAT

Wheat futures jumped higher on new speculative buying following rumors of China buying a few cargoes of US SRW wheat. Late June low was near 4.70 WU. Market began to rally on talk of lower Europe and Russia wheat crops. Russia domestic flour prices rallied on tight supply. WU followed to near 5.20. Domestic US users have been buying mostly hand to mouth given the uncertainty over demand due to the virus. Reopening restaurants offered support but resurgence of the virus adds uncertainty to future demand. Higher French wheat prices offered support this week despite slow start the World trade. Rumors of China buying US SRW Wheat helped rally prices today to near 5.50. January highs were near 5.90 WU. Weekly US wheat export sales are estimated near 250-650 mt versus 326 last week.

Chicago September wheat futures chart



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