





ADM Investor Services, Inc.

# ADM Investor Services Market View

## CORN

Corn futures traded higher. CZ traded over 4.00 for the first time since January. Managed funds are net buyers of 5,000 corn. We estimate Managed funds are net long 184,000 corn. Open interest continues to go higher on the rally. There is talk that China may import a total of 30 mmt of global corn. Some feel they could buy 4-5 mmt from Ukraine and 1-2 from Brazil. This could leave 23-25 mmt from US. USDA has 14 mmt plugged in their corn export guess to China. Increase exports to China could drop US 2020/21 corn carryout closer to 1,800. Trade guesses for weekly US corn export sales is near 600-1,200 mt versus 1,225 last week. Some US corn end users are beginning to price 2021 needs despite fact 50 pct of US corn crop is still left to be harvested. US farmer remain a slow seller of corn. Some feel now he may need 4.30 CZ to begin to sell cash. EIA weekly ethanol production increased from 923,000 barrels per day to 937,000 barrels per day (vs 971,000 last year), which was in line with expectations. On the higher production, US ethanol stocks increased from 19.7 million barrels to 20.0 million barrels. CZ made new highs for the move. Next resistance is 4.10 then 4.20. Support is near 3.80.

**December corn futures chart**



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## WHEAT

Wheat futures traded sharply higher. WZ is near 6.18. WN21 is near 6.06. KWZ is near 5.59. KWN21 is near 5.78. This is the first time nearby Chicago wheat has traded over 6.00 since June, 2015. Matif and CME Black Sea futures continue to make new highs. Talk of Russia rains failed to offer resistance. Russian farmer continues to be a slow seller until he gets a good rain. Russian domestic wheat and flour prices are at all time highs. Talk of lower Argentina wheat crop due to dryness offered support. Argentina said they will not devalue their currency. Argentina also said they will not seize Bank deposits. Managed funds are net buyers of 10,000 wheat. We estimate Managed funds are net long 42,000 wheat. Open interest continues to increase on the rally. Weekly US wheat export sales are estimated near 200-600 mt versus 530 last week. Next WZ resistance is near 6.50.

**December Chicago wheat futures chart**



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