



ADM Investor Services, Inc.

ADM Investor Services Market View

November 30, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil, corn and wheat traded lower and near session lows. US stocks, Crude and gold were lower. US Dollar edged higher.

SOYBEANS

Soybeans traded lower. Talk of rains in the north and central Brazil over the next week triggered selling near season highs. The outside day closing below Fridays low. Lack of new US soybean sales to China also offered resistance. SF closed near 11.68. Overnight SF tested 11.99 on talk of concern over dry Brazil weather. Range was 11.68-11.99. SMF also tested 399.9. SMF closed near 390.8. Range was 389.8- 399.9. BOF tested 38.65. Range was 37.49-38.65. There was talk that China soymeal dropped last week and is now 50 pct below last year at this time. China soybean crush margins have dropped. Malaysian palmoil prices also traded lower on slow exports. This despite talk that India dropped import tax to try to slow the rally in domestic vegoil prices. Weekly US soybean exports were near 75 mil bu vs 58 last year. Season to date exports are near 980 mil bu versus 586 last year. USDA goal is 2,200 vs 1,676 last year. Some feel final export could be closer to 2.350.

January soybean futures chart



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CORN

Corn futures traded lower and near session lows. Fact overnight CH made new contract highs and closed below Fridays low suggested a key technical reversal. Forecast of rains across some of the dry areas of north and central Brazil weighed on prices. Weaker US stocks and energy market may have also triggered long liquidation. Managed funds were estimated to be net long 280,000 corn contracts. The 2 things that could offer resistance to prices were time and better South America weather. Time would be fact that it may be too early to drop South America corn supplies. USDA may also not make many changes to US and World balance sheets on Dec 10. They could wait for more news about US demand and South America weather. There were rumors that China may soon approve additional 5 mmt of corn import licenses. Some feel if they bought US this could drop US carryout below 1,500 mil bu. Weekly US corn exports were near 35 mil bu versus 17 last year. Season to date exports are near 399 mil bu versus 238 last year. USDA goal is 2,650 vs 1,778 last year. Some are as high as 2,725. South America weather over the next 2 months will be key for price direction.

March corn futures chart



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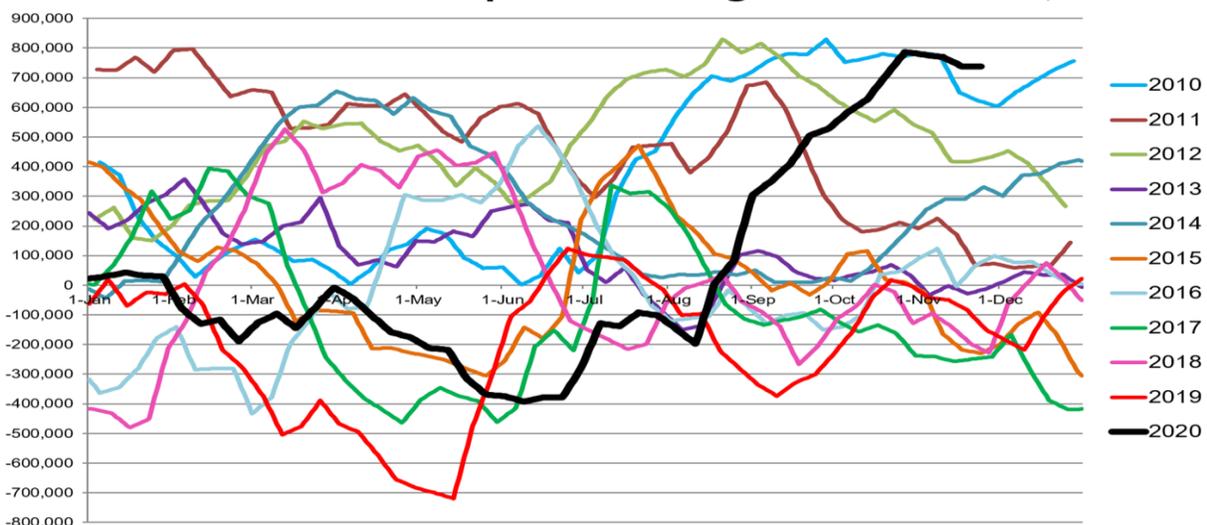
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WHEAT

Wheat futures traded lower. WH closed near 5.86. Range was 5.84-6.09. Outside lower markets trading below Fridays close could be a negative influence. Lower US stocks, lower Crude and lower commodity markets also weighed on wheat prices. Weekly US wheat exports were near 18 mil bu versus 12 last year. Season to date exports are near 474 mil bu versus 466 last year. USDA goal is 975 mil bu versus 965 last year. World wheat export are estimated near 7.0 bil bu versus the same last year. Australia estimated their wheat crop near 31.1 mmt versus their previous estimate near 28.9 and the record 2016 crop near 35.0. There was also talk that Russia could increase their wheat export quotas 2.5 mmt to 17.5. Some are still thinking that Russia 2021 crop could be lower than USDA guess which could drop their exports. Some also feel that if in 2021 corn and wheat prices traded higher and over key resistance, wheat could also follow.

Money managers' combined net position in grain and oilseed* futures and options through November 24, 2020



*Includes CBOT corn, soybeans, wheat, soymeal, soyoil, K.C. wheat and MGEX wheat
Data source: Reuters/CFTC

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