



ADM Investor Services, Inc.

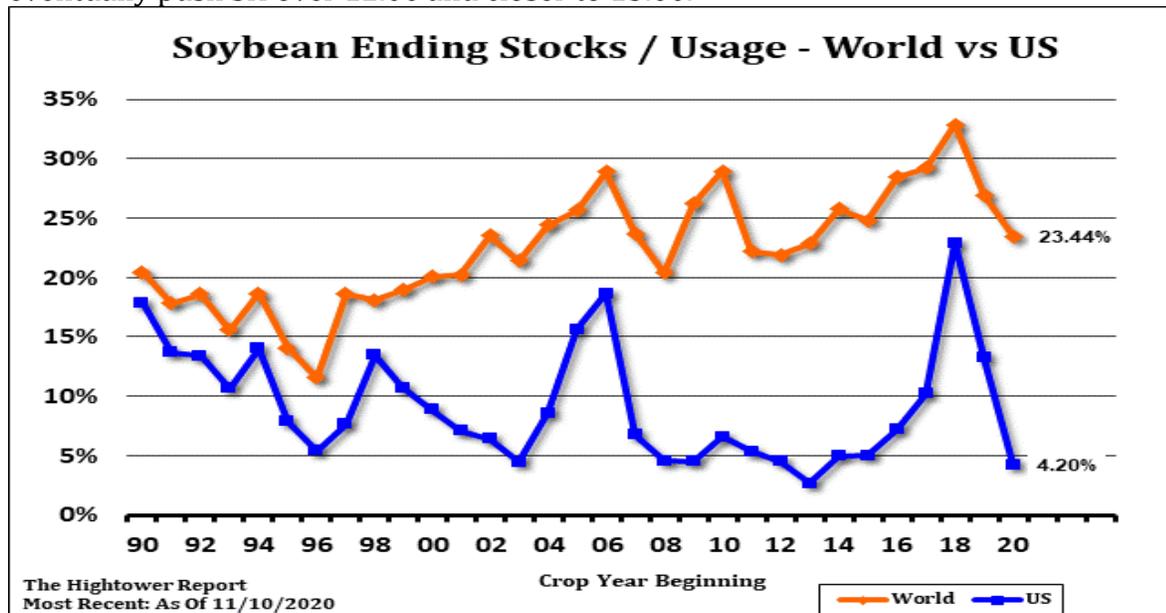
ADM Investor Services Market View

December 1, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil, corn and wheat traded lower. US stocks were higher. US Dollar was lower and below 92 support. Crude was lower. Gold was higher. Copper made new highs.

SOYBEANS

Soybeans traded lower. This week SF could not push over 12.00 and SMF could not push over 400. This triggered long liquidation. Next support is near 11.50. One group lowered their estimate of the 2021 Brazil soybean crop 2 mmt to 130 versus USDA 133. They estimate that 40-50 pct of the crop is stressed due to dryness. Same group continues to estimate Argentina soybean crop at 49 mmt versus USDA 51. They estimate that 30-40 pct of the Argentina soybean crop is stressed due to dryness. December is normal a quiet trading month. Funds are long the soycomplex and the question without new China buying US soybeans, will the funds keep these long positions into yearend? South America weather remains key to price action. In January, trade should pick up before key USDA reports. Plus we will have another month of South America weather and a new 30 day outlook. Doubt if USDA will make many changes on December 10 World and US balance sheets. Trade looks for final US soybean carryout closer to 100-140 mil bu versus USDA 190. This could eventually push SH over 12.00 and closer to 13.00.



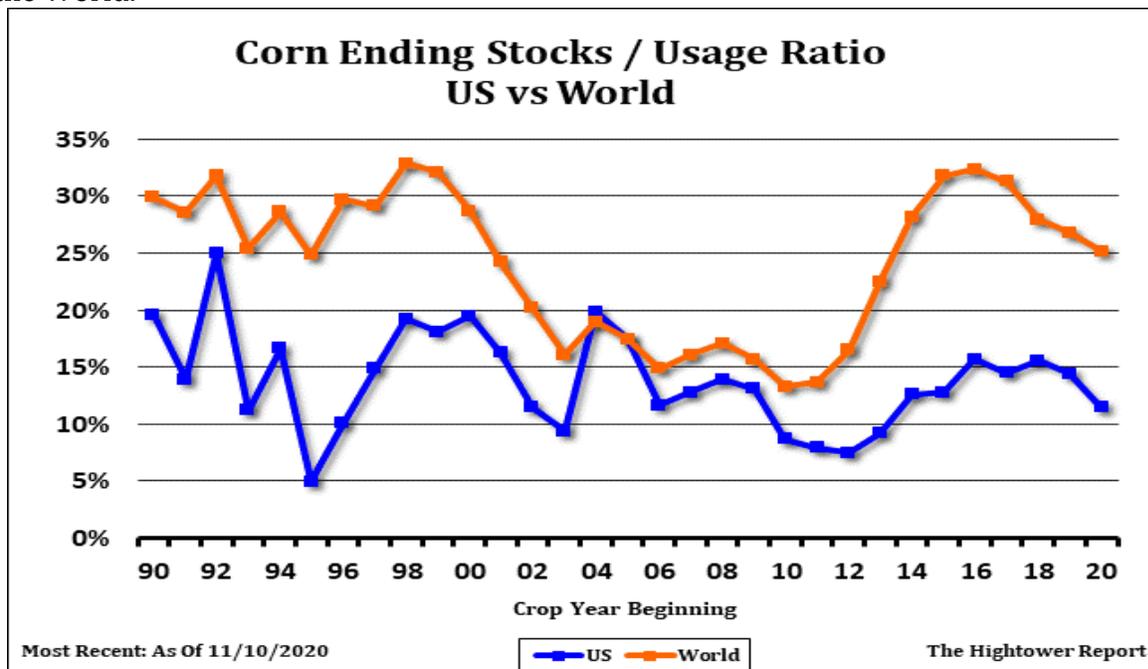
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CORN

Corn futures traded lower. Talk of increase chances for South America rains next week offered resistance. Lower energy prices offset a weaker dollar. One crop scout lowered their estimate of the 2021 Brazil corn crop 2 mmt to 104 versus USDA 110. They estimate that 50-60 pct of the full season crop is stressed due to dryness. Brazil weather could soon change to more normal rains in central and north area but could be dry in the south. This could still lower their final crop. Same group continues to estimate Argentina corn crop at 48 mmt versus USDA 50. They estimate that 40-50 pct of the Argentina corn crop is stressed due to dryness. December is normal a quiet trading month. Funds are long grains and the question without China buying US corn, will the funds keep these long positions into yearend? South America weather remains key to price action. In January, trade should pick up before key USDA reports. Plus we will have another month of South America weather and a new 30 day outlook. Doubt if USDA will make many changes on December 10 World and US balance sheets. Trade though looks for final US corn carryout closer to 1,550 mil bu versus USDA 1,702. This could eventually push CH closer to 4.50. Some feel China will buy \$44 billion dollar of US Ag good in 2021. This could include China taking 50 mmt corn in 2021/2022 all origins. For now US corn is the cheapest feedgrain and corn in the World.



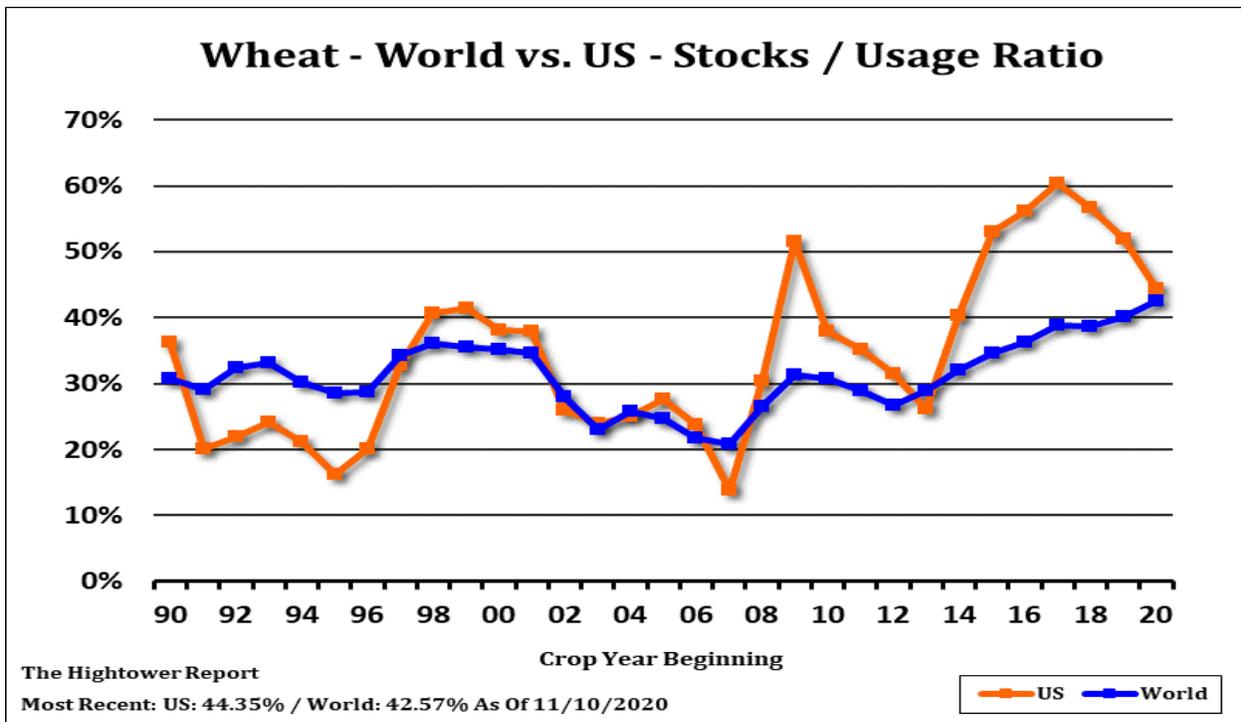


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WHEAT

Wheat traded lower. Talk of higher Australia supplies offered resistance. Australia futures are near 13 week lows. Matif wheat futures also followed US market lower and are near 3 week lows. EU wheat exports are near 9.3 mmt or down 24 pct from last year. Fact that this week Russia increased wheat export quotas 2.5 mmt to 17.5 also offered resistance. Egypt bought Russia and Ukraine wheat in their tender. Russia 2021 wheat crop is rated 22 pct poor. US HRW prices had dropped to below French and German prices are were only slightly above Russia. There were 100 SRW deliveries. This is off grade HRS railed into Chicago. Doubt if USDA will make many changes on December 10 World and US balance sheets. Trade still looks for US wheat carryout near 877 mil bu and World stocks near a record 320 mmt.



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