



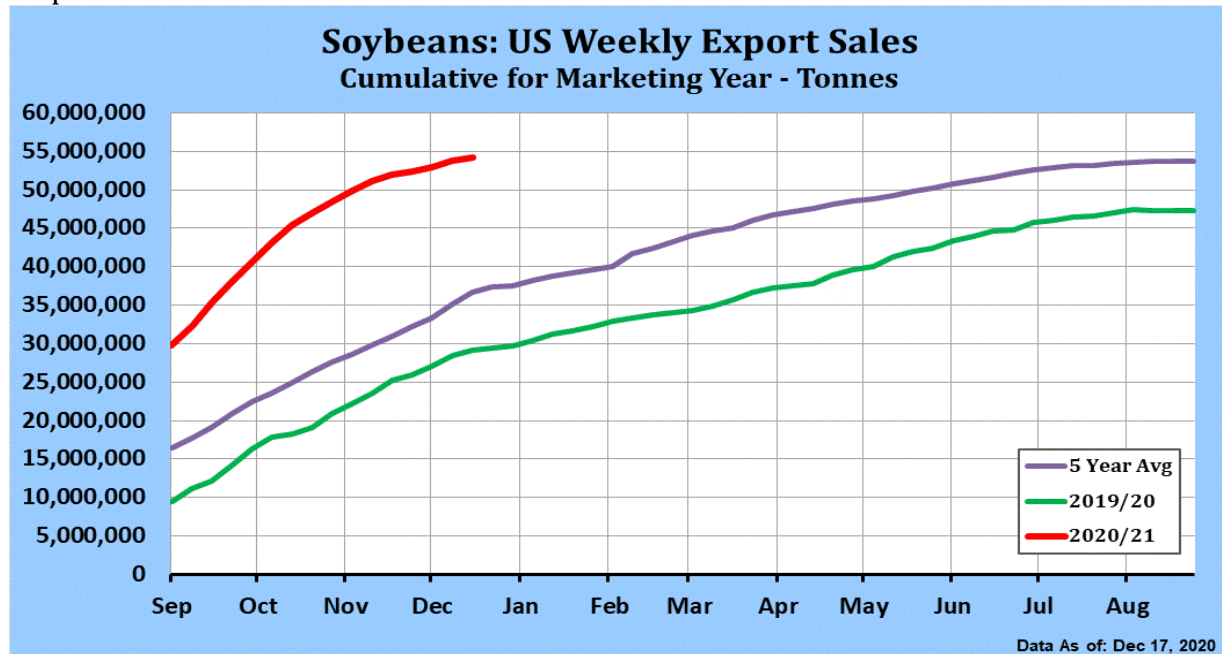
ADM Investor Services Market View

December 23, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soymeal, soyoil, corn and wheat traded higher. Soybeans, soymeal and soyoil made new highs. Lack of US, EU, Black Sea and South America farmer selling limits upside pressure. South America and US 2021 weather will determine how high is high. US stocks were higher. US Dollar was lower. Crude was higher.

SOYBEANS

Soybean futures made new higher. Positive technical signals may be adding to new longs and limiting new selling. Higher China Dalian soymeal futures prices and new highs of palmoil futures is also supportive. Bulls feel that in January, soybean futures could trend higher in front of USDA Jan 12 report. Some could also see USDA lowering South America 2021 soybean crops 6 mmt from USDA current guess. One Brazil farmer group today lowered their estimate of the Brazil soybean crop to 127 mmt vs USDA 133. Weekly US soybean exports sales were only 353 mt. Total commit is near 54.1 mmt versus 29.9 last year. USDA goal is 59.8 vs 45.6 last year. US weekly soymeal sales were 223 mt. Total commit is near 5.7 mmt versus 5.4 ly. SMN21 continues to gain on SMZ21. There are 110 vessels delayed in Argentina due to strikes. The amount includes 2.5 mmt soymeal. Argentina workers want to be paid the Blue Peso rate which would be a wage increase of 80 pct.



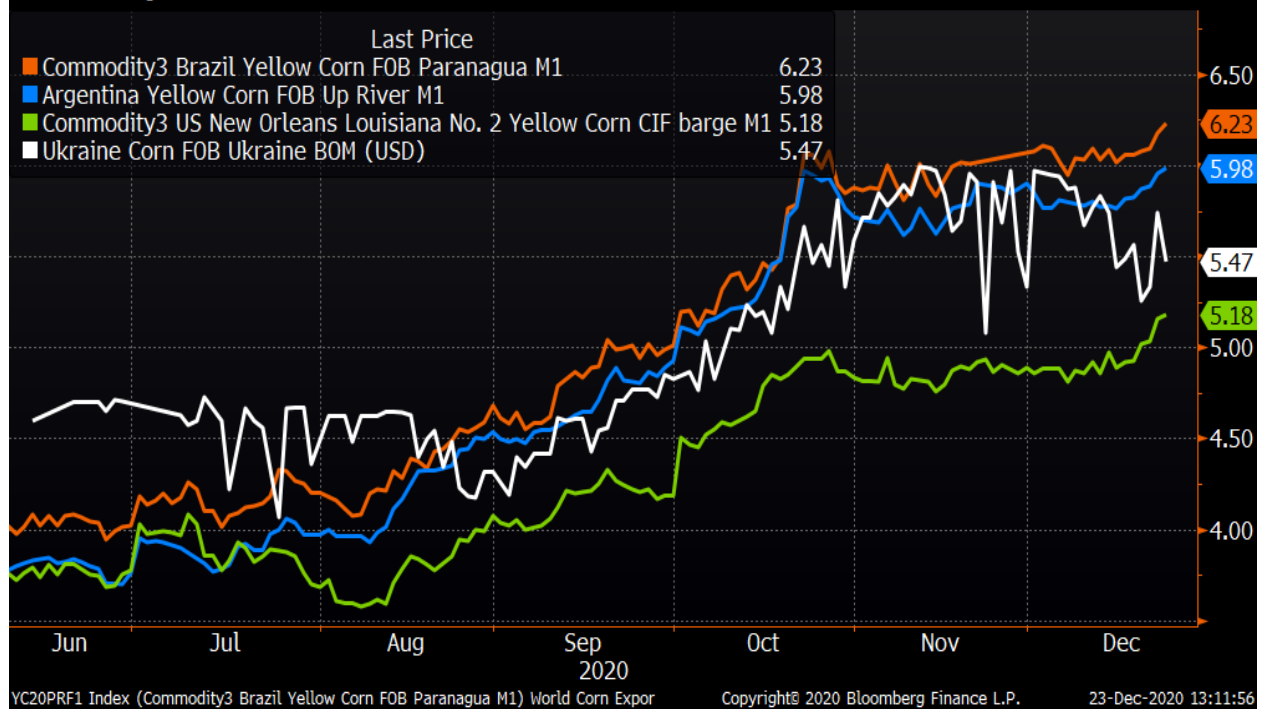


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CORN

Corn futures traded higher. Next resistance is near the 4.64 or the July, 2019 high on the nearby contract. Next resistance is then the 2014 high near 5.00. then the gap on the weekly chart from 2013 near 5.50. Higher highs will depend upon South America 2021 crop sizes. Some have lowered their crops 10-15 mmt from USDA. This could increase demand for US corn exports and lower US 2020/21 carryout. The fact POTUS may not sign the relief bill US Congress finally approved and wants individuals to receive \$2,000 versus \$600 is actually friendly to US stocks and most commodities. US agriculture will benefit with new aid of \$13 Bil while the US ethanol and biodiesel industries will enjoy tax benefits and extenders to maintain production. The rescue package could add 1.5-1.8% to next year's US GDP rate. Weekly US corn exports sales were only 651 mt. Total commit is near 42.2 mmt versus 17.8 last year. USDA goal is 67.3 vs 45.1 last year. Some could see exports as high as 76.2. Weekly US ethanol production was up 2 pct from last week and down 10 pct from last year. Stocks were up from last week and last year. Margins remain negative.

Corn Export Prices - USD / bu



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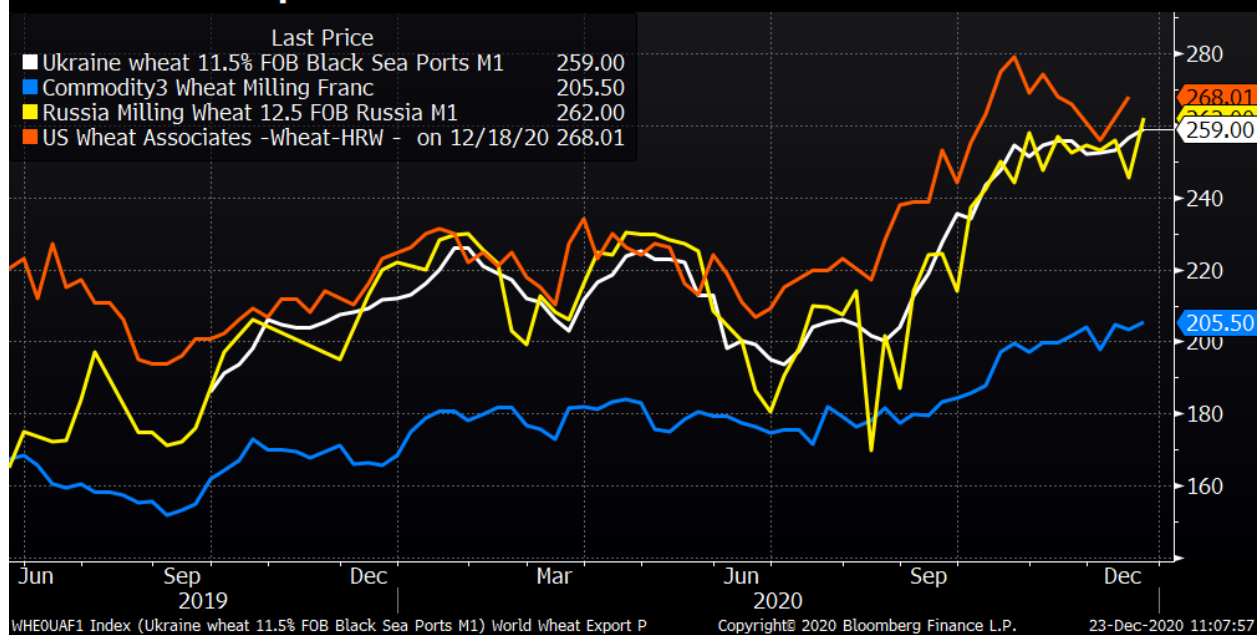
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WHEAT

Wheat futures traded higher. Talk of lower 2021 Russia supplies offered Support. WH is back testing Oct 21 high 6.37. KWH is trading at new highs for the move and over the Oct 21 high of 5.86, Nov 5 high of 5.86 and Dec 11 high of 5.87. Some feel talk of higher Russia wheat prices and strong inverses in Matif and Russia wheat futures suggest nearby World wheat stocks may be tighter than the trade is trading. Weekly US wheat exports sales were only 394 mt. Total commit is near 20.0 mmt versus 18.5 last year. USDA goal is 26.8 vs 26.2 last year. The fact POTUS may not sign the relief bill US Congress finally approved and wants individuals to receive \$2,000 versus \$600 is actually friendly to US stocks and most commodities. The rescue package could add 1.5-1.8% to next year's US GDP rate. Key to wheat prices is World 2021 wheat supplies versus Demand, impact the vaccine will have on LH 2021 food demand and Talk of higher US debt lower US Dollar. If FH 2021 corn and soybean Prices tend higher, wheat prices should follow.

World Wheat Export Prices



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