



ADM Investor Services, Inc.

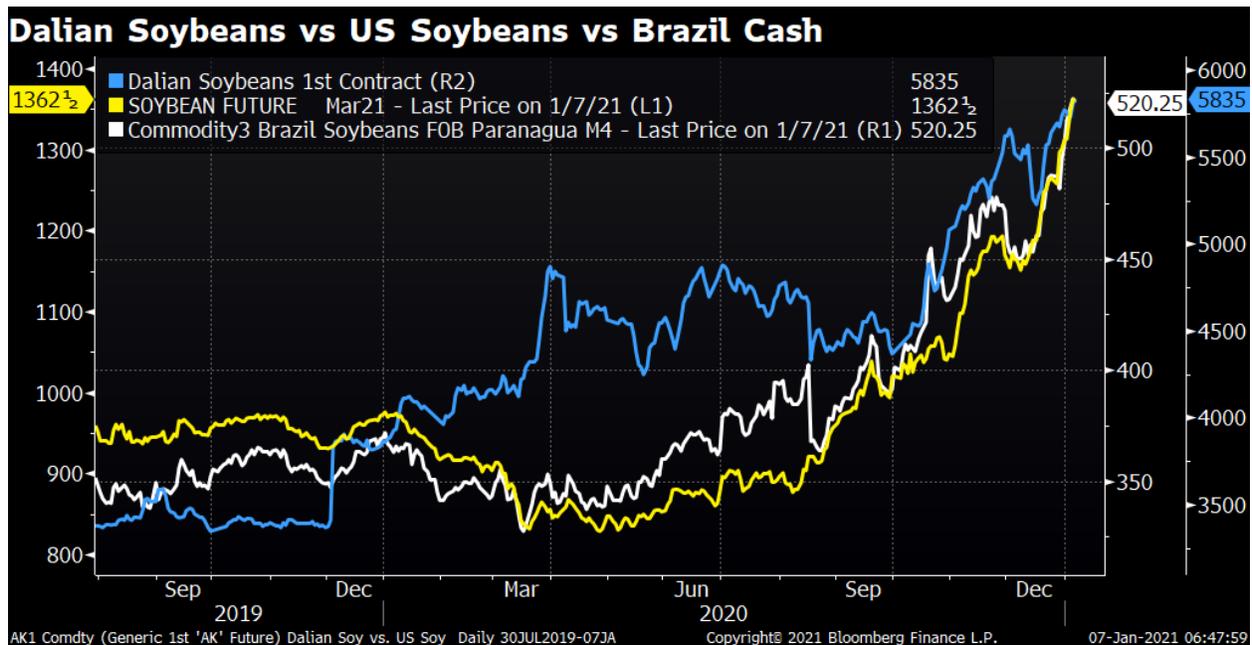
ADM Investor Services Market View

January 7, 2021 by Steve Freed VP ADMIS Grain Research

Soybeans, corn and wheat traded lower but ended off session lows. Soymeal and soyoil also traded lower. US stocks were higher. US Dollar was higher. Crude was mixed. Gold and copper traded higher.

SOYBEANS

Soybeans traded lower. Some long liquidation after recent sharp gains could be linked to evening up before USDA report. Futures have also become overbought with Managed funds record long 264,000 soybean contracts. Average trade estimate for US 2020/21 soybean carryout near 139 mil bu vs USDA 175. Dec 1 US soybean stocks could be near 2,920 mil bu vs 3,252 last year. Average trade estimate for Brazil+Argentina soybean crop near 179 mmt versus USDA 183. Weekly US soybean export sales were well below est at only 37m (sales to unknown were -769.5m). US soybean export commit is a record large 2012.3 mil bu vs 1093.9 mil bu last year. China commit at 32.8 mmt, plus a possible 2.5-3.0 mmt of the 5.1 mmt in unknown that could be to China would result in a total commit of about 35.3-35.8 mmt. US record soybean exports to China was 36.1 mmt in 2016-17.



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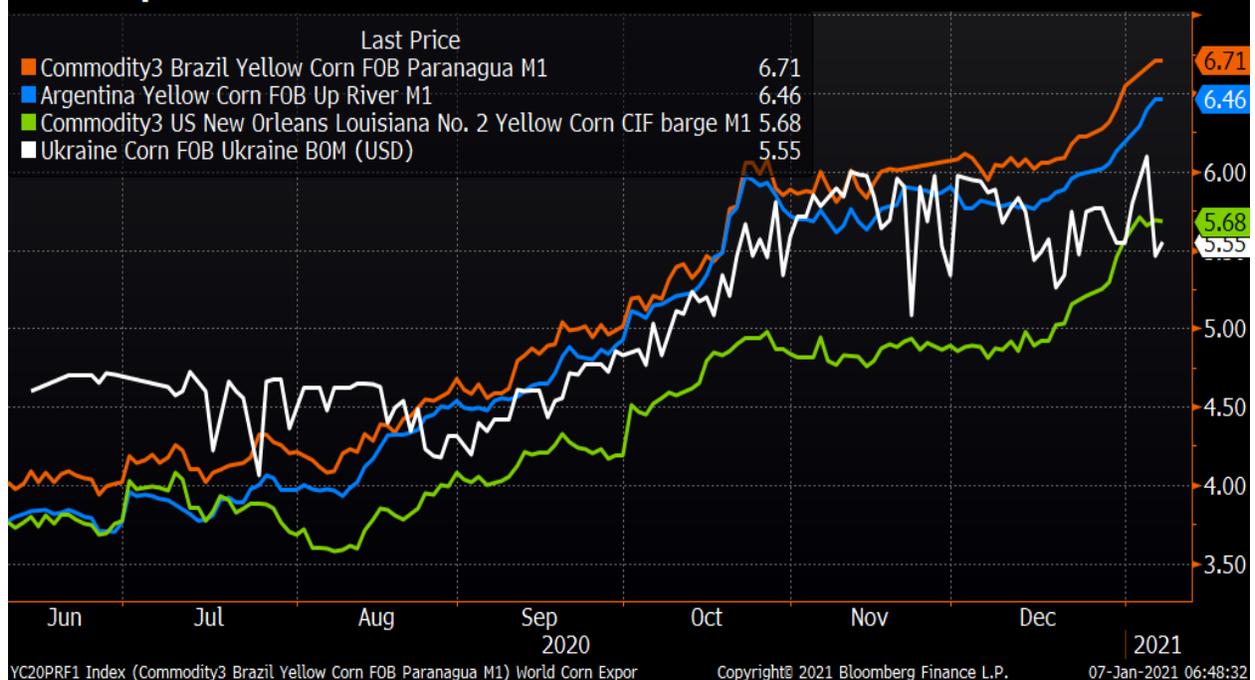


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CORN

Corn futures traded lower. Talk that technically corn futures may be overbought with Managed funds record long 394,000 corn contracts. Talk of record US Jan-May US corn exports offers support to basis and futures. US farmer remains a reluctant seller of 2020 cash corn. Average trade estimate for US 2020/21 corn carryout near 1,599 mil bu vs USDA 1,702. Dec 1 US corn stocks could be near 11,951 mil bu vs 11,327 last year. Average trade estimate for Brazil and Argentina corn crops are near 155 mmt versus USDA 159. US census Nov corn exports were 150 mil bu and 5 mil bu above inspections, bringing Sept-Nov exports to 445 mil bu vs 270 mil bu last year. US ethanol exports remained strong at 113.6 mil gallons, bringing Jan-Nov exports to 1.222 bil gallons versus 1.323 bil gallons last year. US DDG exports for November were 927.6m, bringing Sept-Nov exports to 3.037 mmt vs 2.717 mmt's last year. US corn export sales were 748 mt and in line with expectations, bringing commit to a record large 1,730 mil bu versus 729 mil bu last year. China commit is record 11.7 mmt. With sales of 7.58 mmt's to unknown, China commit totals 13.0-13.5 mmt's versus USDA's projection for China total all origin corn imports at 16.5 mmt's.

Corn Export Prices - USD / bu



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WHEAT

Wheat futures traded lower. Lower corn and soybean prices plus higher US Dollar may have triggered some liquidation. Most doubt USDA will make big changes US wheat export sales at 275 m were at the low end of expectations, bringing total commitments to 765.7 mil bu vs 695.7 mil bu last year, up 70.0 mil bu. USDA is projecting a 20 mil bu increase in 2020-21 US wheat exports with their current estimate of 985 mil bu. Average trade estimate for US Dec 1 wheat stocks is near 1,695 mil bu vs 1,841 last year. Average trade estimate for US 2021 winter wheat acres near 31.5 mil vs 30.4 ly. US Nov census wheat exports were near 1.9 mmt versus 1.7 last year. Mexico was 27- mt versus 199 last year. China was 235 mt versus zero last year. There is still no Russia wheat export prices past Feb. Matif wheat futures followed US futures lower and were unable to trade over key resistance.

World Wheat Export Prices



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