ADM Investor Services, Inc.

Monthly Commodity Futures Overview
April 2025 Edition

Grain Market Outlook for the United States and South America by Mark Soderberg, Senior Grain Market Specialist, ADM Investor Services

*The following report is an overview of the US and South American economic, political and crop situations as of **April 18, 2025.** This report is intended to be informative and does not guarantee price direction.*

Corn

Prices rebounded nicely the first half of April as corn seems to be least impacted from the Trump Administration' tariff policies. Demand for U.S. corn remains strong evident by the USDA 100 mil. bu. increase in its export forecast to 2.55 bil. bu. Overall, U.S. ending stocks were cut 75 mil. bu. to 1.465 bil. as feed usage was lowered by 25 mil. bu. The new ending stocks forecast was roughly 50 mil. below pre-report estimates. I had been expecting a 25-50 mil. bu. hike in exports. I believe the with reciprocal tariffs being paused for 90 days only increases the odds exports will increase again in future reports. The average farm price was left unchanged at $4.35 bu.

There were no changes to South American production or Chinese imports. Mexico's imports rose .5 mmt to a record 25 mmt. Global stocks were cut by 1.3 mmt to 287.7 mmt, largely due to lower U.S. stocks. As of this writing, CFTC data shows money managers have shed just over 310k contracts from their long position over the past two months down to just under 54k contracts. With much of the excess speculative strength out of the market, I anticipate old crop will gain on new crop. I suspect July will eventually trade back above $5.00, possibly retest the February 2025 high just above $5.20. Cooler than normal temperatures in the Midwest along with heavy rains in the Southern Midwest have held early plantings in check. Warming temperatures in the Western corn belt along with the outlook for just over 95 mil. acres of U.S. corn will work to limit the upside for new crop.

Corn Futures - Weekly

Chart from QST

Soybeans

Prices across the soybean complex have also rebounded nicely off the early April lows, shaking off pressure from escalated trade tensions with China. While China has reportedly bought upwards of 50-60 cargoes of soybeans from Brazil in the past week, this happens every year as their demand shifts to our South American competitors. The USDA cut U.S. soybean stocks 5 mil. bu. to 375 mil. While the USDA data may not have been bullish, it certainly wasn't bearish. Imports were raised by 5 mil. with those added supplies more than offset by a 10 mil. bu. increase in crush. The average U.S. farm price was left unchanged at $9.95 bu.

Soybean oil stocks were cut 80 mil. lbs. to 1.451 bil. lbs. Exports were raised 500 mil. lbs. partially offset by domestic usage down 300 mil. lbs. Production was up 120 mil. given the added crush. Of the lower domestic usage, 200 mil. lbs. were from lower usage for biofuel production. While there were no changes to SA production for the 24/25 crops, last year's production in Brazil was increased 1.5 mmt to 154.5 mmt. These added supplies from last year were largely absorbed by higher crush in the 24/25 MY. Argentina was up .5 mmt to 50.1 mmt, while Brazil's crush rose 1 mmt to 61.1 mmt. Global stocks for 24/25 did rise 1.1 mmt to 122.5 mmt, slightly above expectations. As Brazil's harvest winds down, Argentina's harvest will accelerate. Currently, I wouldn't expect combined production to vary much from the current USDA record forecast of 218 mmt. Prices will continue to be sensitive to tariff headlines, particularly those with China. The rebound in soybean meal triggered by speculative traders unwinding a portion of their record short position.

Wheat

Wheat prices have shown only a limited bounce off their March lows, despite speculative traders holding a near record large short position. The USDA increased their ending stocks forecast by 25 mil. bu. to 846 mil. in the April 2025 WASDE report, 20 mil. above expectations. Imports rose 10 mil. bu. while exports were lowered by 15 mil. HRW stocks jumped 26 mil., spring wheat stocks rose 16 mil., while durum stocks were down 13 mil. SRW wheat stocks (CGO) held steady at 116 mil. bu. The average U.S. farm price was unchanged at $5.50 bu.

Global stocks were up .6 mmt to 260.7 mmt. Russian exports were down 1 mmt, Ukraine/Canada up .5 mmt, EU/Australia down .5 mmt. As of mid-month, U.S. WW area in drought dropped 5% LW to 32%, still well above the 15% from YA. Spring wheat area in drought rose 4% to 43%, nearly double the 22% from YA. May-25 CGO wheat spread over May-25 corn plunged to a new low at $.54 bu. in early April as abundant wheat stocks try to work more into feed rations. As of this writing 34% of the U.S. winter wheat acres are in drought while 43% of the spring wheat acres are experiencing drought. If the above normal precipitation forecast for the second half of April is verified I would expect wheat prices to move back to recent lows.

Softs and Energy Outlook by Mark Bowman, Senior Global Market Analyst, ADM Investor Services

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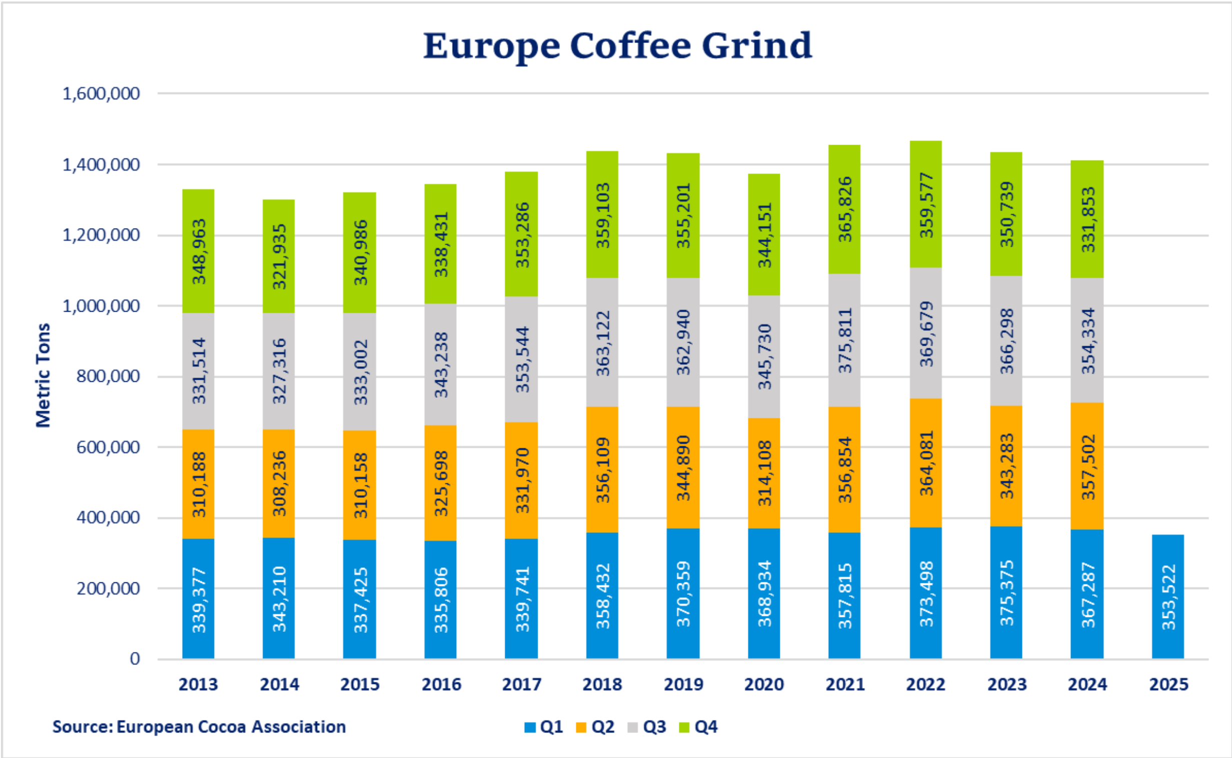
Cocoa

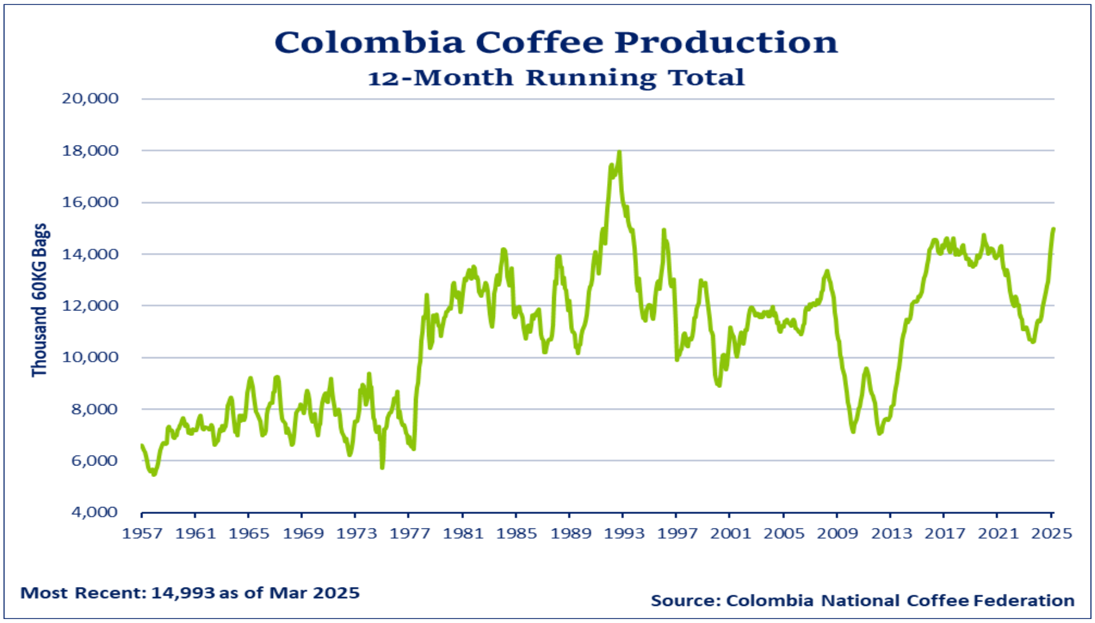
In early April, Ivory Coast officials warned that the nation was about to experience its worst mid-crop in at least 10 years due to an unusually long dry season, and Ivory Coast also raised the fixed farmgate price paid to cocoa farmers by 22% to 2,200 CFA francs ($3.65) per kilogram for the mid-crop of the new 2024/25 season. season. A couple of days later President Donald Trump said he would impose a 10% baseline tariff on all U.S. imports, taking the maximum to more than 50% for some countries. This sparked a three-day selloff back taking prices to long term support at the 200-day moving average. Ivory Coast port arrivals recovered to 15,000 metric tons for the week ending April 13 after falling to 1,500 the previous week. Cumulative arrivals since the marketing year began in October have reached 1.457 million tons, up from 1.317 million at that time last year but down from the five-year average of 1.671 million. Chocolate manufacture Barry Callebaut reported a 4.8% drop in sales volume from year-ago levels in the first six months of their fiscal year that began in September, suggesting that high prices were finally taking a toll on demand. This sparked expectations that first-quarter grind data would show a 5%-7% decline from last year, so when the European grind was down only 3.75% and Asia's was down 3.45%, the market rallied. The North American grind still had not been released as of this writing.



Coffee

NY (arabica) coffee traded to new all-time highs in February and proceeded to consolidate its gains over the next two months before breaking out to the downside of a triangle formation, which could be an indicator of a major top. This selloff was aided by the tariff announcements, which included an extremely high rate against Vietnam, the world's largest robusta producer and a major supplier to the U.S.

One factor that helped lift prices to all-time highs this year was the low expectation for this year's crop in Brazil, but the Brazilian consultancy Safras & Mercado recently revised its forecasts higher, with the arabica crop at around 40 million bags, up from the 38.35 million forecast in December, and robusta at 25-26 million bags versus from 24.1 million in December. They credited good weather in February and early March. Colombia's monthly green coffee production is running consistently above year ago levels. In March, their 12-month running total reached 14.993 million bags, the highest since June 1993.



Sugar

The recent UNICA report showed Brazilian Center-South sugar production for the second half of March was at 201,000 tons, up from 183,000 a year ago and up from 53,000 for the first half of the month. This was the first time product was above year ago levels since October. Sugar's share of the crush was 43.0% versus 33.5% for the same period last year, and there were 44.13 kilograms of sugar produced per ton of cane during the second half of March versus 35.86 kilograms a year prior.

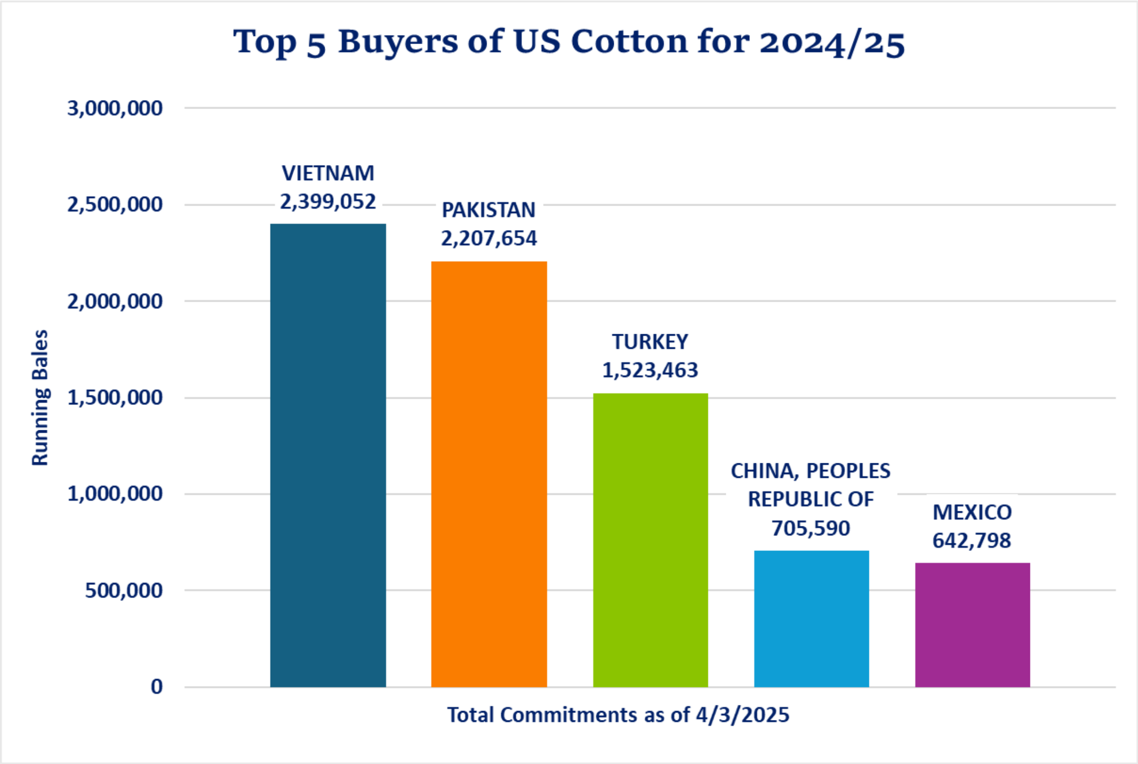
This news added to the downward pressure that the market had already experienced from economic worries that came in the wake of the U.S. tariff announcements. This was the last UNICA report for the 2024/25 marketing year. The new year began April 1. Production usually starts to pick up in March and peaks in late July. India's 2024/25 sugar production estimates have seen reductions due to poor weather in late 2024 and early 2025. The Indian Sugar Mills Association in March lowered its forecast to 26.4 million tons from 27.2 million previously.

Cotton

Cotton prices fell precipitously in the immediate aftermath of the reciprocal tariff announcements at the beginning of April, as the largest buyer of U.S. cotton this year, Vietnam, was hit with one of the biggest tariff rates. When President Donald Trump postponed the implementation of the tariffs, traders breathed a sigh of relief. But even before that announcement was made, Vietnam had expressed a willingness to commit to buying more U.S. liquified natural gas in an attempt to reduce its trade surplus with the U.S. and negotiate a lower tariff rate.

The escalation of the “trade wars” between the U.S. and China is less threatening to U.S. export business given how much smaller their purchased have been relative to Vietnam, Pakistan and

Turkey. A few days prior to the tariff announcement, the USDA released its Prospective Plantings report, which put U.S. 2025/26 all cotton plantings at 9.867 million acres, down from 11.182 million last year. This was slightly lower than expected and points to a tighter supply in the year ahead. U.S. soil moisture has improved in recent weeks. As of April 8, approximately 21% of U.S. cotton production was in an area experiencing drought, down from 38% on March 4.



Crude Oil

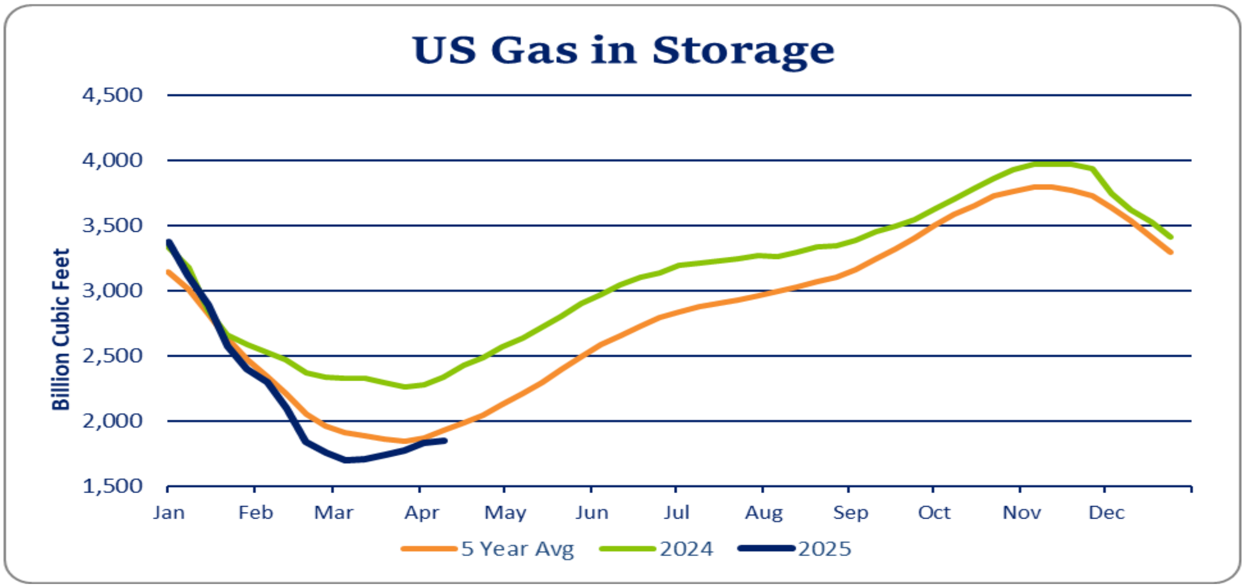
Crude oil prices collapsed in the wake of the reciprocal tariff announcements on April 2, as the size of the tariffs far exceeded expectations and raised fears of a global recession. The weekend after the tariffs were announced, Saudi Arabia cut its benchmark price for Asia, which added to selling pressure. June crude oil prices fell from $71.23 per barrel at the close on April 2 to $55.67 at its low on April 9, a 23% decline in one week. Nearby prices fell to their lowest level since February 2021. The market put in a spike low on April 9 after President Donald Trump announced a 90-day delay in the implementation of the tariffs, but the potential for a sharp decline in global oil demand if the event of an economic slowdown looms over the market.

This past week, OPEC and IEA cut their forecasts for global oil consumption for 2025 and 2026 in reaction to the tariffs. OPEC cut its consumption growth forecast to +1.30 million barrels per day in 2025, down from +1.45 million previously, and it reduced 2026 growth to +1.26 million from +1.46 million. The IEA cut its forecast for 2025 to +730,000 barrels per day from +1.03 million previously, and it forecast 2026 consumption at +690,000 bpd.

Natural Gas

The natural gas market peaked in early March at the height of rhetoric between the Trump Administration and Canada over the tariffs, which at that point included U.S. tariffs on imports of Canadian crude oil and natural gas and threats by the Ontario premier to suspend electrical supply to the U.S., which would increase U.S. gas demand even further. The subsequent selloff coincided with five straight weeks of larger than normal U.S. storage builds, which allowed U.S. supply to narrow its deficit from year ago levels.

Over the past five weeks, June natural gas has fallen 35% from its peak, back to the 200-day moving average, where it has found at least temporary support. This past week saw another storage build, but it was the first time in five weeks that the build was smaller than expected. Several nations faced with high tariffs have expressed interest in committing to buying U.S. LNG to narrow their trade deficits and negotiate a lower tariff rate. The U.S. is already the leading LNG exporter and its capacity to expand that is limited by how fast it can build export terminals.



Livestock Outlook by Chris Lehner, Senior Livestock Analyst, contracted by ADM Investor Services

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Live Cattle

Traders at the start of March 2025 were expecting tariffs to begin with China, Mexico and Canada. With the first round of tariffs announced President Trump within two days announced a delay until April for Mexico and tariffs for Canada would remain the same as when President Trump made the trade agreements during his first term in office, which President Biden did not change. Tariffs for China would be 10% above previous tariffs. Not increasing tariffs for Mexican products was important because it meant allowing feeder cattle to enter U.S. feedlots after the delay of Mexican feeder cattle and quarantine due to New World Screwworm placed at the beginning of 2025 and the quarantine lifted at the end of February 2025.

At the same time, Mexico would not retaliate with increasing tariffs on imported U.S products. For Canada the 10% increase meant fewer exports of fed cattle ready for slaughter to the U.S. and tariffs on beef and pork to Canada. The tariff changes for China meant fewer U.S. beef and pork exports to China but China had been decreasing U.S. imports in 2024 as China had internal hog production increases and were building trading agreements from global suppliers. March 2025 tariffs were more like a skirmish than the tariff war starting on April 2.

March 2025 also saw U.S. beef prices increase for choice rib and loin sections, beef for steaks and cuts such as rib roasts and demand for cheaper sections processed primarily for ground beef. Choice beef rallied during March from $311.83 to mid-month at $ 318.27 to end the month at $332.82 . Cattle prices moved higher as beef demand increased. The negotiated average price for cattle began at $199.16 to mid-month at $201.23 and ended the month at $212.69. Steer prices set historic record highs at $214.00 with a few loads $1.00 and $2.00 higher.

Live Cattle Futures - Weekly

Lean Hogs

Trading after a steep decline from February 18 to March 4, lean hogs rebounded close to $8.00 and traded sideways to slightly lower the remainder of the month. The Quarterly Hogs and Pigs report on March 27 showed All Hogs as of March 1 were slightly lower than the same period in 2024. Hogs kept for breeding were down 2% and hogs kept for market were down slightly. Similar to previous reports, due to better management and genetics, pigs per litter were up 1%. Producers for March through May intend to farrow the same amount of sows as they did a year ago. From the producer side, hog numbers should be similar to 2024.

Hog and pork prices saw small changes with lower prices. The CME lean hog index from the beginning of March to the last of March was down .31 cents and the CME pork cutout index was down $1.37.

Lean Hog Futures - Weekly

Charts by QST

Stock Index, Currency and Precious Metal Futures Market Outlook
by Alan Bush, Senior Financial Economist, ADM Investor Services

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Stock Index Futures

Stock index futures came under pressure as investors prepared for another week of developments on President Donald Trump's tariff policies and for the kickoff of large tech company earnings reports. In addition, there are concerns about the Federal Reserve's independence.

Economic reports have been mixed. Housing starts in March at an annualized rate were 1.324 million when 1.420 million were expected, and permits at an annualized rate were 1.482 million when 1.450 million were anticipated. The April Philadelphia Federal Reserve manufacturing index was -26.4 when 6.7 was estimated.

Some of the recent pressure was liked to hawkish remarks from Fed Chair Jerome Powell when he spoke at the Economic Club of Chicago.

S&P 500 Futures - Weekly

Chart by QST

U.S. Dollar Index

March U.S. dollar index futures fell to a three-year low due to concerns about the economic outlook for the U.S., along with renewed concerns over the Federal Reserve's independence. The greenback has lost approximately 4.6%, with its steepest declines against the euro currency, the Japanese yen, and Swiss franc.

Last week there was only temporary support for the greenback when Federal Reserve Chair Jerome Powell signaled that the Federal Reserve is in no rush to cut interest rates, citing the need for more clarity before making any policy moves.

Investors continued to assess the outlook for Federal Reserve monetary policy in light of shifting trade policies. The fundamentals and technicals remain bearish for the U.S. dollar index.

Euro Currency

The euro currency advanced to its strongest level since November 2021. There was virtually no negative reaction to news that the European Central Bank lowered its key interest rate by 25 basis points at its monetary policy meeting.

Producer prices in Germany unexpectedly dropped by 0.2% year-on-year in March 2025, reversing a 0.7% increase in February and missing market forecasts of a 0.4% gain. This marked the first decline in producer prices since last October.

Gold

June gold futures advanced to record highs. Recent gains can be attributed to safe-haven demand in light of ongoing uncertainty around U.S. trade policy. Markets remain sensitive to fluctuating tariff news, with the Trump administration launching trade probes that could lead to new tariffs on semiconductor and pharmaceutical imports.

There was almost no adverse reaction when Federal Reserve Chair Jerome Powell said the central bank would hold off on adjusting interest rates until there is more clarity. In addition, investors are watching U.S.-China trade talks closely, after China signaled a willingness to resume negotiations, although only under certain conditions.

Much of this strength can be linked to a weaker U.S. dollar. Also, there has been substantial central bank buying of April gold. The fundamentals and technicals suggest additional gains are likely for gold futures.

Support and Resistance

Grains

July 25 Corn

Support	4.75	Resistance	5.20

July 25 Soybeans

Support	10.05	Resistance	11.05

July 25 Chicago Wheat

Support	5.35	Resistance	5.95

Softs

July 25 Cocoa

Support	7613	Resistance	9697

July 25 Coffee

Support	298.35	Resistance	398.55

July 25 Sugar

Support	16.43	Resistance	18.82

May 25 Cotton

Support	62.05	Resistance	70.05

Energy

July 25 Crude Oil

Support	55.00	Resistance	70.00

July 25 RBOB

Support	1.8800	Resistance	2.2600

July 25 ULSD

Support	1.9000	Resistance	2.2700

July 25 Natural Gas

Support	3.250	Resistance	4.560

Livestock

June 25 Live Cattle

Support	190.00	Resistance	207.50

June 25 Lean Hogs

Support	88.00	Resistance	101.00

Stock Index

June 25 S&P 500

Support	4900.00	Resistance	5750.00

June 25 NASDAQ

Support	16900.00	Resistance	19600.00

Metals

June 25 Gold

Support	3270.0	Resistance	3580.0

May 25 Silver

Support	31.500	Resistance	34.800

May 25 Copper

Support	4.6500	Resistance	5.2500

Currencies

June 25 U.S. Dollar Index

Support	97.000	Resistance	99.500

June 25 Euro Currency

Support	1.13500	Resistance	1.16900