ADM Investor Services, Inc.

Monthly Commodity Futures Overview
May 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 **May 20, 2025.** This report is intended to be informative and does not guarantee price direction.*

Corn

Corn Prices likely put in an intermediate low shortly after the May USDA WASDE report. While much of the US crop has been planted in a timely manner, there is a growing concern that the last 10-15% will be delayed, given the cool, damp conditions across portions of the central and eastern Corn Belt.

In the WASDE report, 2024/25 ending stocks were by cut 50 million bushels to 1.415 billion due to an upward revision in exports. Brazilian 2024/25 corn production was revised higher by 4 million metric tons to 130 million, but partially offsetting that was a 3 million-ton increase in Brazilian usage for ethanol production. Brazil's exports were lowered by 1 million tons, resulting in a 6 million-ton increase in 2024/25 Brazilian ending stocks. US 2025/26 production was forecast at a record 15.820 billion bushels, which was slightly above expectations. Ending stocks were forecast at 1.80 billion bushels, up from 1.415 billion in 2024/25 but more than 200 million below expectations. Total usage was forecast at a record 15.460 billion bushels. The average US farm price for 2025/26 is forecast to fall to $4.20 per bushel from $4.35 in 2024/25.

Global ending stocks for 2025/26 are expected to fall to 278 million metric tons, down almost 10 million from 2024/25 and nearly 20 million below expectations heading into the report. The next major USDA report will the Acreage update at the end of June. In the meantime, markets will focus on the developing US crop and any tariff headlines that emerge.

We have seen a significant shift in ownership across the corn market in the past three months. The money manager net long position peaked in early February at just over 364,000 contracts. By mid-May, these traders were net short 85,000, having sold some 450,000 in that time. We suspect December Corn will hold in a $4.35-$4.65 range until late June.

Soybeans

Soybean prices continue to hold in a sideways pattern, with most of the volatility in the complex being seen in soybean oil. There is still a great deal of uncertainty surrounding biodiesel tax policy and RVOs, not to mention a potential trade deal with China.

In the USDA's May WASDE report, 2024/25 US soybean ending stocks were cut by 25 million bushels to 350 million on a revision higher in exports. US soybean oil usage for biofuels was cut by 150 million pounds, exports were increased by 100 million, and imports were lowered by 50 million, leaving ending stocks unchanged at 1.531 billion pounds. US 2025/26 soybean production was forecast at 4.340 billion bushels, in line with expectations. The average yield was projected at a record 52.5 bushels per acre. 2025/26 ending stocks were forecast at a three-year low of 295 million bushels, 65 million below expectations. The average US farm price was forecast to increase to $10.25 per bushel from $9.95 in 2024/25. Global 2025/26 ending stocks were forecast to increase to 124 million metric tons, 2 million below pre-report expectations.

New crop soybeans likely have the most upside potential in the near term, as the market works to attract more acres. As of mid-May, soybean plantings were running at record pace, but with the recent cool, damp conditions, the final 20-25% may go in much more slowly. The US balance sheet could start looking snug if record yields are not realized and the Trump Administration is successful in negotiating a trade deal with China. We look for November Soybeans to hold in a $10.15-$10.75 range in the near term. Soybean meal could be vulnerable to a short covering rally, as speculators hold a near-record short position.

Wheat

The wheat market is showing signs of life, with prices bouncing off contract lows that were established shortly after the May USDA WASDE report was released.

In the WASDE report, US 2024/25 wheat endings stocks were revised down by 5 million bushels to 841 million due to an increase in food usage. All wheat production for 2025 was forecast at 1.921 billion bushels, 35 million above expectations. Winter wheat production came in at 1.382 billion bushels, up 33 million from 2024/25 and against expectations calling for a decline of 25 million. HRW production was forecast at 784 million bushels, 35 million above expectations, and SRW was forecast at 345 million, in line with expectations. White winter wheat production came in at 253 million bushels, which was above expectations. US 2025/26 ending stocks were put at 923 million bushels, a seven-year high and roughly 60 million above pre-report expectations. Global 2025/26 ending stocks were little changed from the previous year at 266 million metric tons, but they were above expectations.

US spring wheat plantings have proceeded at a rapid pace and are nearing completion. Drought conditions in the Northern Plains should start to ease, given the recent rain. US winter wheat ratings are the highest since 2020, but there is concern that too much rain has increased the potential for disease across large portions of the southern Midwest. Weather concerns for east central China and the Black Sea region have given speculators pause for concern.

The recent Commitments of Traders report showed managed money traders were holding a record short position in KC Wheat at nearly 81,000 contracts. The combined short position across all three classes of wheat has swelled to over 235,000. Just a month ago the combined short position was just under 200,000.

Chart provided by QST

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

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Cocoa

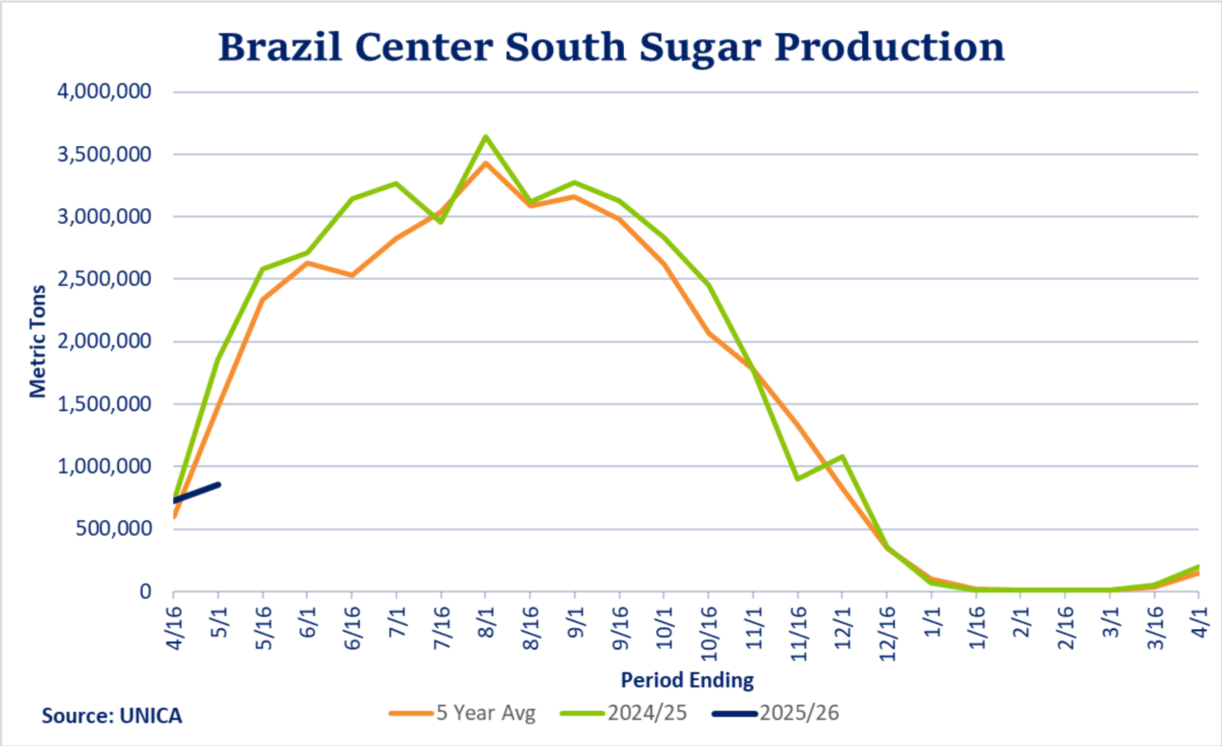
Persistent concerns about the West African mid-crop have lifted cocoa prices back up above $10,000 per metric ton. The arrival of the rainy season offered some relief, but rains were below normal the first part of May. The lower forecast has been underscored by the slowdown in Ivory Coast port arrivals. For the week ending May 18, Ivory Coast port arrivals totaled 22,000 metric tons, down from 24,000 the previous week and 58,000 a year prior. Cumulative arrivals had reached 1.560 million bales, up from 1.473 million a year ago but below the five year average of 1.824 million. Demand indicators have been stronger than in the face of high prices. First-quarter 2025 grind was down just 2% from a year ago in Europe, down 0.7% in Asia, and up 2.2% in North America. West Africa saw some better rains during the third weekend in May, and this pattern was expected to continue for the ensuing week to 10 days. This could help the latter part of the mid-crop and the early part of the 2025/26 main crop.

Coffee

Brazilian 2025 coffee production forecasts are edging higher, and this has helped pull the market back from its all-time highs. The Brazilian Institute of Geography and Statistics put the 2025 all coffee output at 55 million bags, up 2.3% from its April estimate. Arabica production is expected to reach 37 million bags, up 3.5% from the April forecast but still down 7.5% from 2024. (This is the off-year in the crop's biennial cycle.) The Brazilian Agricultural firm Safras & Mercado increased its arabica forecast to 40.46 million bags in May from 38.35 million in December. The Brazilian National Supply Company (CONAB) put its arabica forecast at 37 million in May vs 34.7 million in January. This year's harvest appears to have gotten off to a slow start. Safras & Mercado reported that the harvest had reached 7% of the planted area as of May 13, up from 2% from the previous week but below the five-year average of 10%. The robusta harvest was estimated at 11% complete versus 16% a year ago, and the arabica harvest was 4% complete versus 7% at this point last year. Brazilian coffee sales are slow as well. Arabica sales have reached 22% of expected output, similar to last year but below a long-term average of 31%. Robusta sales have reached 7% of expected output versus 15% a year ago. This might point to more competition from Asia and could pressure robusta prices, which could lead to lower arabica as well.

Sugar

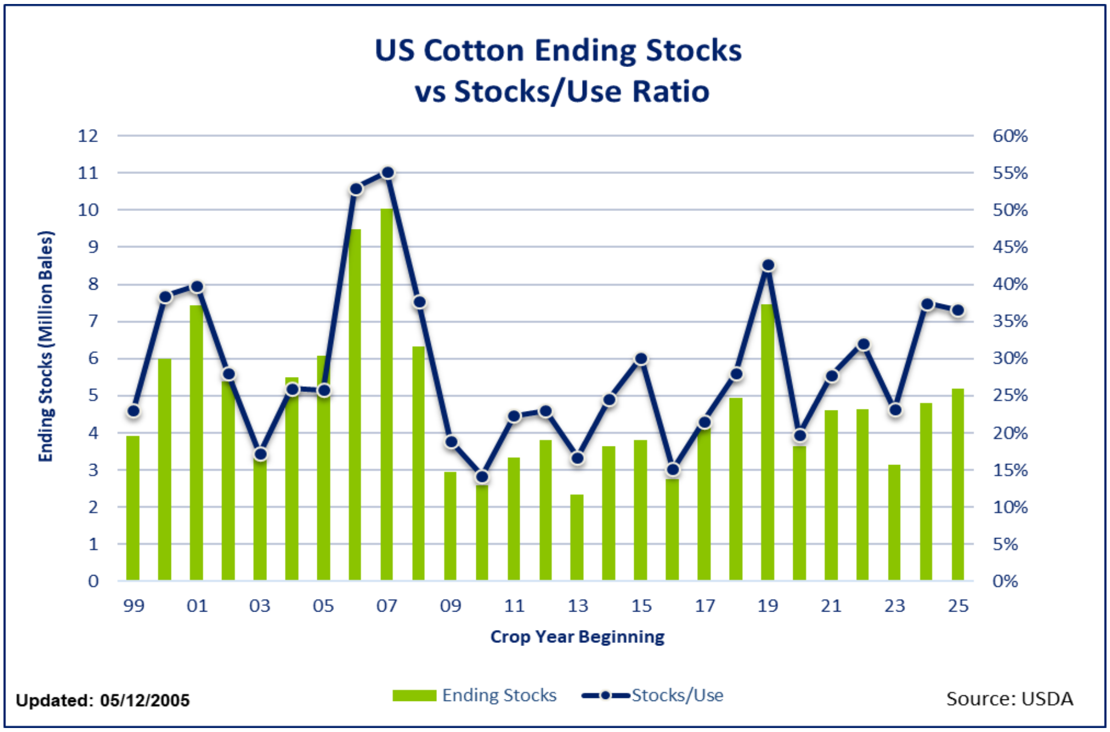
The International Sugar Organization raised its forecast for a global sugar deficit to 5.47 million metric tons in 2024/25 from a previous estimate of 4.88 million in, due primarily to lower than expected production in India and Pakistan. However an industry meeting in New York in early May produced estimates for a global surplus for 2025/26 ranging from +400,000 tons to +1.53 million. Brazil's 2025/26 was expected to be up 4% to 5% from 2024/25, although one forecast called for a 2% decline. India's production was expected to be up 22% to 24%, and Thailand's was expected to be up 11% to 14%. The Brazilian numbers will be closely watched after the record drought last year, especially after several cane fields were scorched by wildfires last September. The 2025/26 harvest, which began in April, started off slow. The UNICA report for the second half of April showed Brazilian Center-South production was down 54% from a year ago, and cumulative production for 2025/26 was down 39%. This could have been due to heavier than normal rain in the second half of April slowing harvest crushing activity. Lower sugar prices could encourage Brazilian processors crushers to crush more cane for ethanol at the expense of sugar, but they need the cooperation of the ethanol market as well.



Cotton

The May USDA supply/demand report put US 2025/26 cotton production at 14.50 million bales, up from 14.41 million in 2024/25. US exports were forecast at 12.50 million, up from 11.10 million in 2024/25 and the highest since 2021/22. 2025/26 ending stocks were forecast at 5.20 million bales, up from 4.80 million for 2024/25 and the highest since 20219/20. This put the stocks/use ratio at 36.6%, down slightly from 37.5% in 2024/25 but still above the five year average of 28%. This lower stocks/use ratio depends on a better US export pace than last year, and traders may have a difficult time accepting this given the slow pace of export sales.

US cotton plantings are about two days behind the average pace, which is not very much but may be enough to prevent a test of the contract lows until the season moves further along. A recent Crop Progress report showed 40% of the US cotton crop was planted as of May 18,versus 42% a year ago and a five-year average for this date of 43%. Texas was 35% planted, below the five-year average of 38%. Mississippi was 31% planted, well below the five-year average of 60%. They are about 10 days behind average and the slowest of the major states.

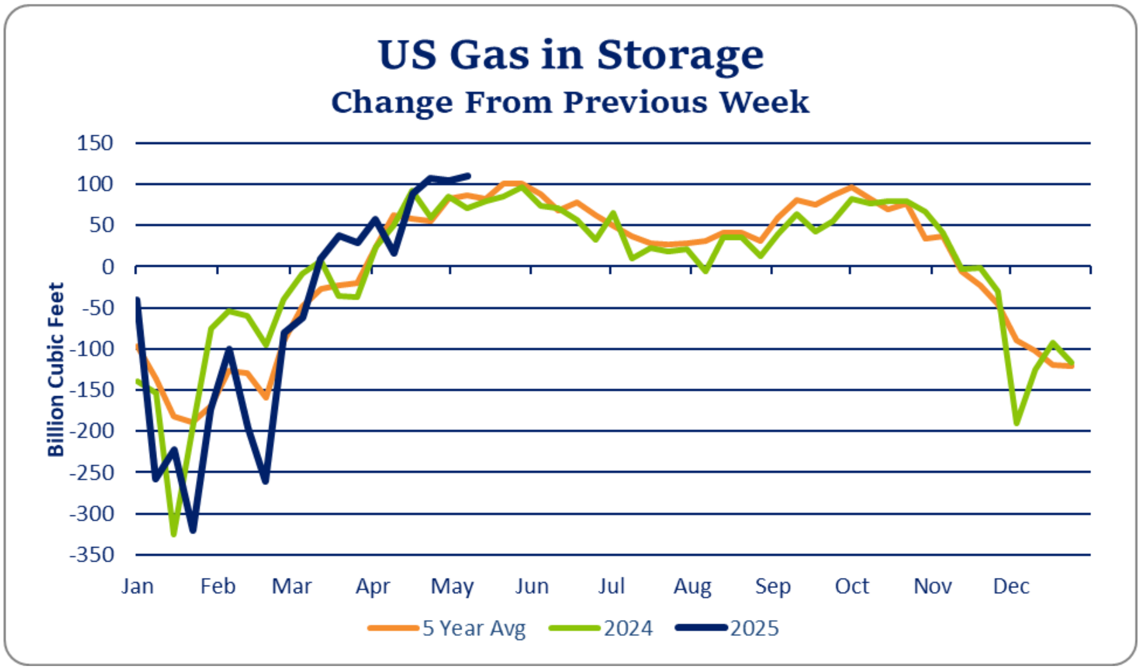


Crude Oil

The crude oil market has staged an impressive recovery off the lows it made after the selloff in the wake tariffs announcements, but the rally stalled in the face of larger production out of OPEC+, which has begun to lift its quotas that it put in place post-Covid. The group had been planning to do so since last year but kept postponing the move because of weak Chinese demand. But then they surprised the market with planned production increases of 411,000 barrels per day for May, about three times what was expected, and they agreed to a similar increase in June. Despite the lifting of the quotas, initial production numbers actually fell in the first part of May, as some producers who had been exceeding their quotas found discipline. There were also indications that China had increased its imports of Mideast oil as it worked on restocking strategic reserves.

Natural Gas

When crude oil prices collapsed in the wake of the tariff announcements, the natural gas market rallied on fears that sharply lower crude oil force the closure of some that produce crude oil and natural gas. When crude oil prices recovered, the gas market was able to focus on low demand bought on by mild weather and the steady build in US supply. Weekly storage builds have been above average in eight out of the last nine weeks, and total storage has gone from being 11% below the five year average in March to 1.9% above in early May. The mild weather theme may have played itself out when the market fell below the $3.500 level on May 20 and bounced sharply off that level the next day.



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

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Live Cattle

Live cattle have been in a five-year bull market since bottoming-out at $81.45 in April 2020, during the COVID pandemic. The market had appeared to top several times during the bull run, and on April 2, as President Trump's tariffs were announced, buyers began liquidating. After reaching new contract highs on April 2 at $210.90, April 2025 began to sell off, falling to $197.75 by April 9. But with the US cattle inventory at 75-year lows, prices for cash cattle and boxed beef recovered and reversed the futures decline, with April Cattle going off the board at a new contract high of $217.67.

During the month of April, the US average cash steer price went from $212.64 to $216.22, and Midwest cattle were priced as high as $220.00. The CME Boxed Beef Index rallied from $331.51 to $336.69. By the end of April, year-to-date cattle slaughter was down 601,033 head from the previous year, a 5.7% decline.

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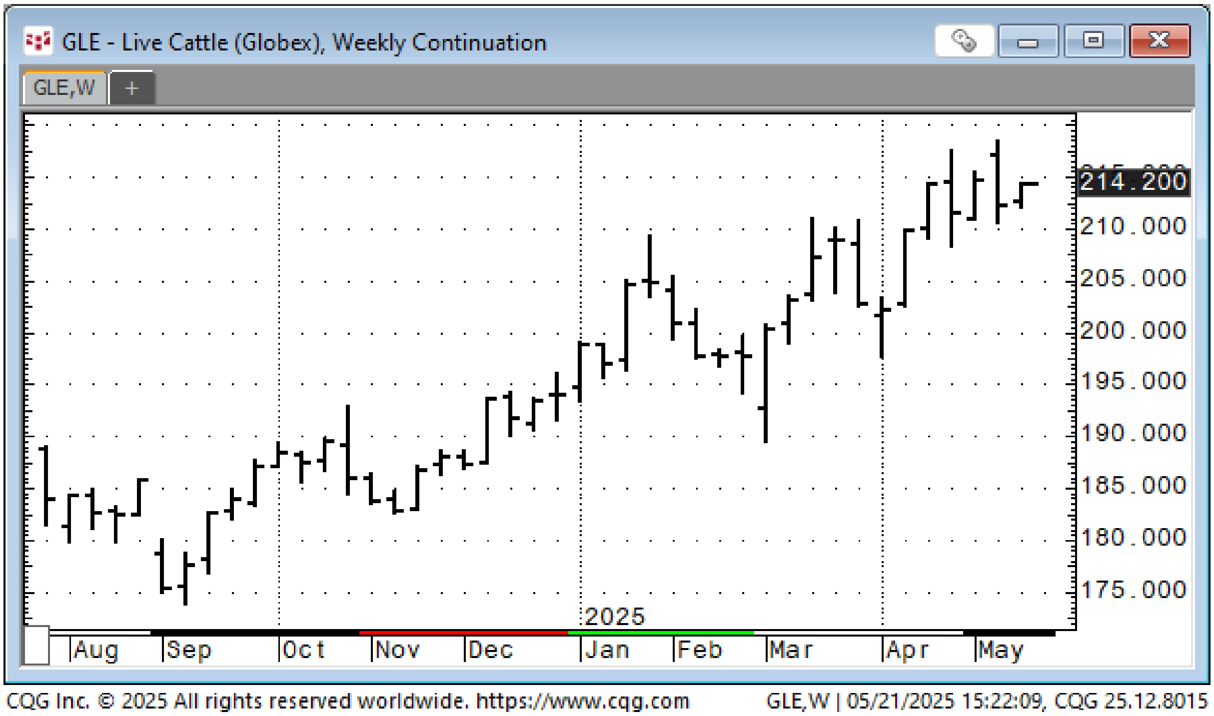
Live Cattle Futures - Weekly

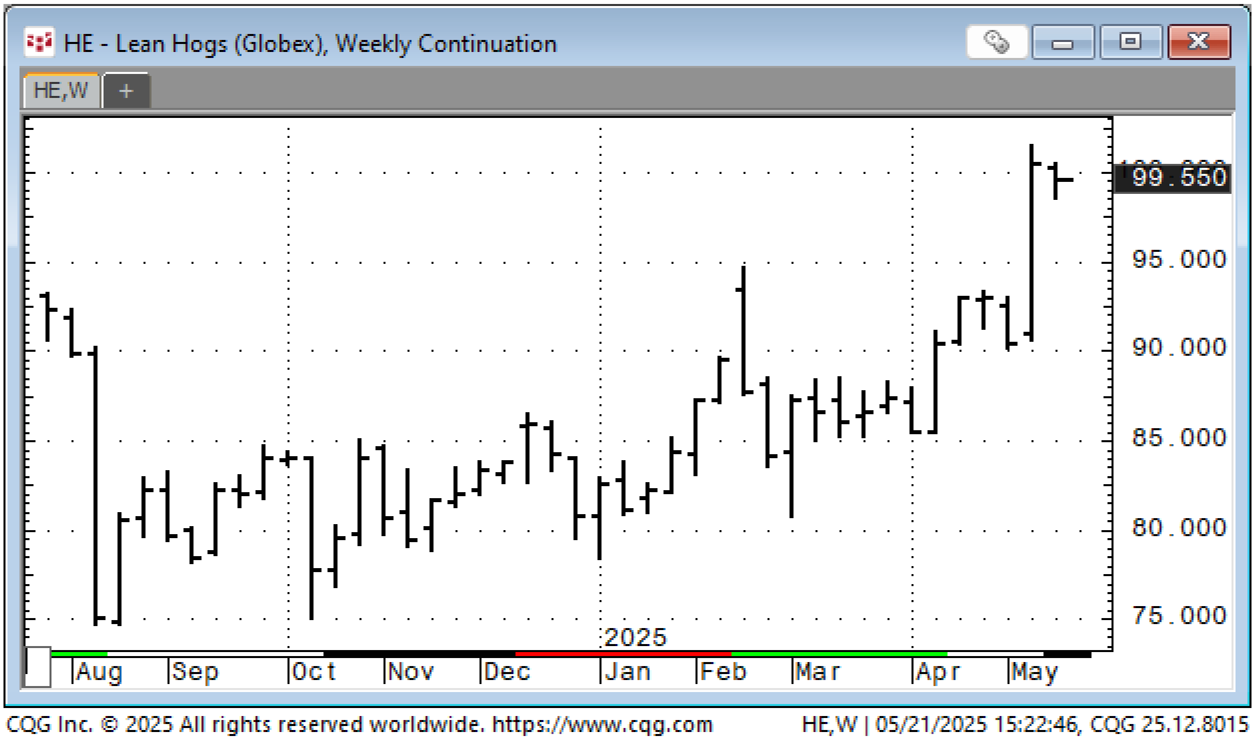


Lean Hogs

From the beginning of December through April, traders were liquidating lean hog contracts, and by the time April arrived, market activity was dominated by spread trading, mostly buying cattle and selling hogs. When there were periods of buying, it mostly consisted of sellers liquidating. The CME Lean Hog Index began April at $88.78 and ended the month at $89.95. The CME Pork Cutout Index started the month at $96.46 and ended at $96.97, with small fluctuations in between. April Lean Hog futures went from a high of $88.32 on April 1 to $85.47 by settlement on April 14.

The largest importer of US pork, Mexico had its retaliatory tariffs put on hold. However, China, which had the largest tariffs, stopped buying US pork in April. From January through March, China had been the fifth-largest buyer of US pork. In 2024, Japan, South Korea, and Canada all made new trade agreements with Brazil, and their purchases of US pork were already down during the first quarter, with 14% declines from year-ago for Japan and South Korea and a 9% decline for Canada.

Lean Hog Futures - Weekly



Charts by CQG

Stock Index, Currency and Precious Metal Futures Market Outlook
by J.P. Steiner, Associate Economist, ADM Investor Services

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Stock Index Futures

Stock index futures have trended higher recently, marking a return to year-to-date gains following the steep declines in April in the wake of the new US tariff policies. Major trade developments have largely been responsible for the rebound in prices, as agreements with the UK and China boosted market confidence and ushered in risk-on sentiment.

Economic reports so far have indicated a solid labor market and a cooling inflation picture, but as of this writing it point the full impact from tariffs may not be represented in the data, as many businesses appear to have front-loaded their inventory purchases. The April CPI showed an annualized inflation rate of 2.3%, the lowest reading since February 2021. Housing starts in April were 1.361 million, up 1.6% from the previous month's figure of 1.339 million. The unemployment rate has held steady around 4.2%.

Despite the recent drawdown in tariffs between the US and China and the temporary pause of all "reciprocal" tariffs, a baseline tariff of 10% or more remains on most countries, which is very high by historical standards. Uncertainty regarding the greater trade picture and the effects of tariffs on the US economy remains.

Daily June E-mini S&P

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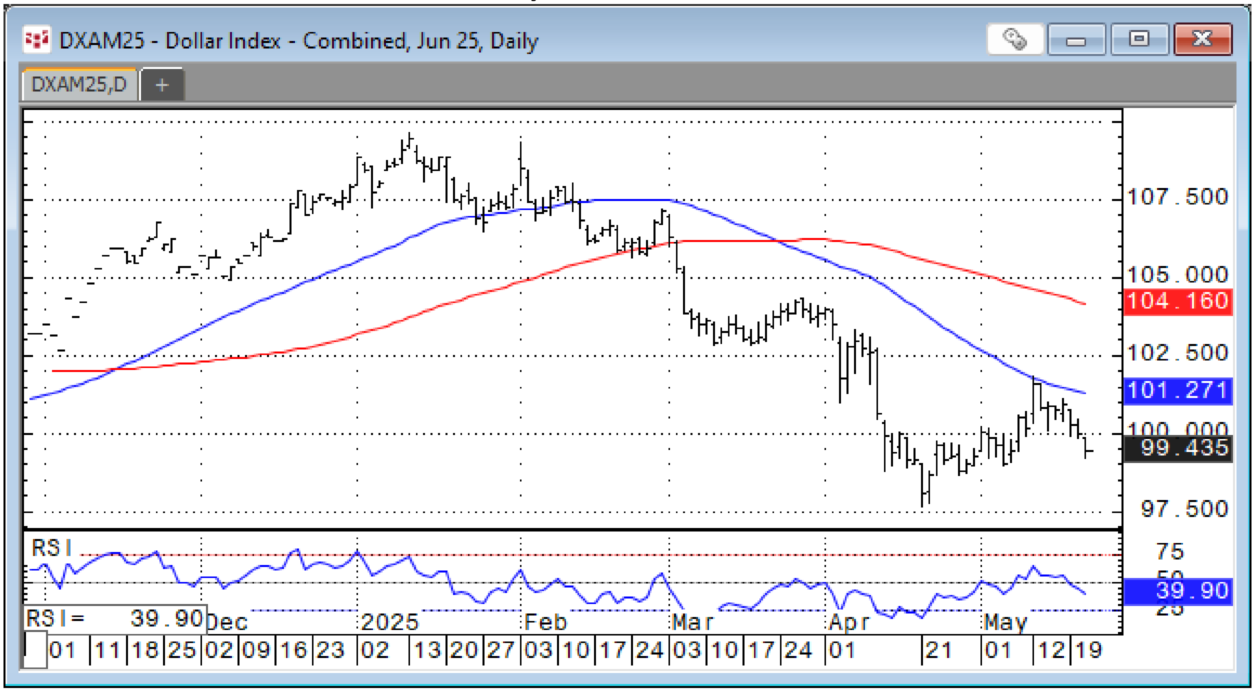
US Dollar Index

The US Dollar Index has seen a steady recovery since late April after a flight away from the currency in early April. The dollar drew support from positive trade developments, a strong labor market in the US, and renewed investor sentiment in US assets. Uncertainty surrounding the future of the US economy and potential inflationary pressures from tariffs have led the Fed to reiterate a wait-and-see approach to monetary policy, holding rates steady for the near future and offering support for the dollar.

In the longer term, the outlook for the dollar is bearish. Uncertainty surrounding the fiscal outlook for the US will weigh on the greenback as investors grow cautious of US assets.

Daily June Dollar Index



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Euro Currency

The euro has weakened over the last month, pressured by dollar strength and the European Central Bank dropping its key interest rate by 25 bps in mid-April. The ECB is expected to continue lowering rates in June, and additional cuts are possible with headline and core inflation rates softening. April's annualized CPI came in at 2.2%, which matched expectations and was steady with the previous reading. The European Union also lowered its economic growth projection for 2025 to +0.9%, down from a previous estimate of +1.3%, citing the impact from tariffs.

British Pound

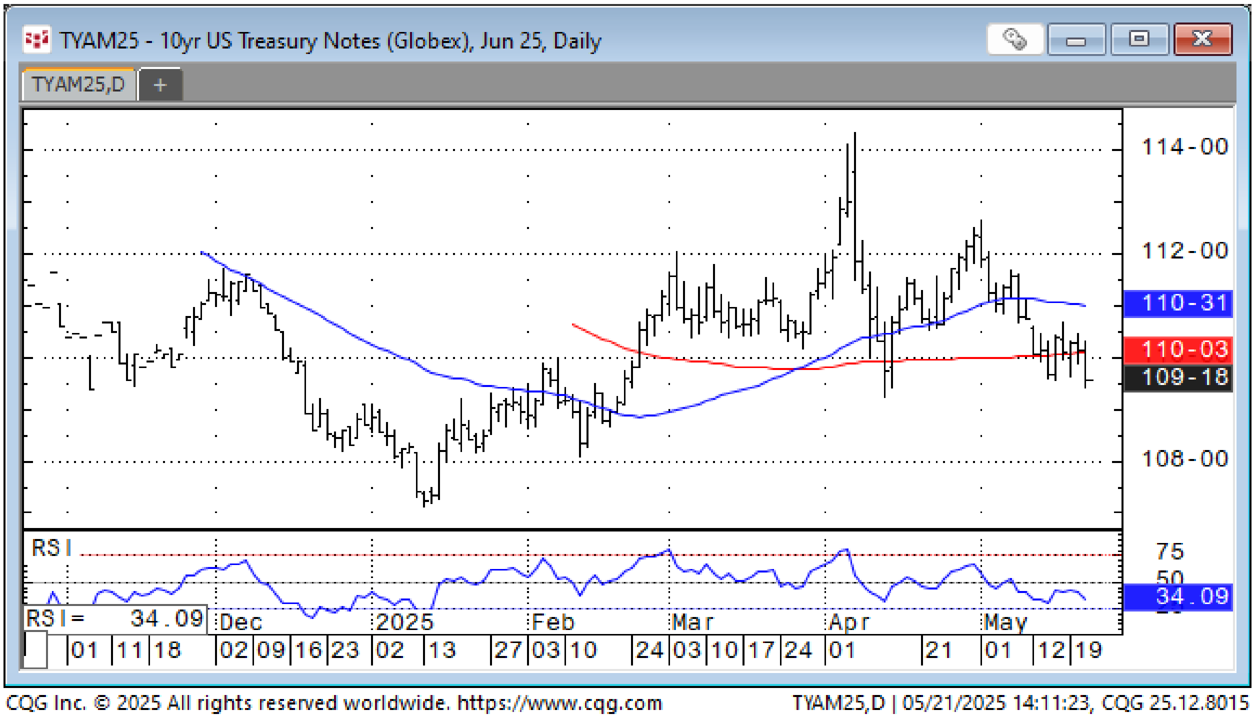
The British pound has maintained its strength for the most part, with the June contract hovering around $1.33. In early May the Bank of England cut its benchmark rate by 25 bps to 4.25% in a widely expected move. The BoE has eased policy more cautiously than its European counterparts, and it will likely remain cautious through the rest of the year, taking a "careful and gradual" approach to monetary policy. The bank lowered its economic growth forecast for next year to +1.25%, having previously expected an increase of 1.5%. The Bank now expects inflation to return to its 2% target range by the beginning of 2027.

Interest Rates

The Treasury market has experienced a period of volatility from late April and into May, as yields have bounced up and down following trade developments and economic data. Overall, Treasury prices have trended downward on stronger-than-expected labor market data, hawkish comments from the Fed, and concerns over persistent inflation. The Fed kept the Federal Funds rate steady at its most recent meeting, saying the Bank is poised to respond to any changes in the US economy. These developments have caused interest rate expectations tighten, with markets now expecting 50 bps of easing this year with the first cut expected in September. The markets had previously anticipated 100 bps of easing, with a rate cut coming much earlier in June.

The yield curve has steepened in recent weeks as long-term rates rose more than short-term rates, indicating a reassessment of the current macro environment as inflation expectations increase. Concerns regarding US government debt have flared up in the treasury market as tax-cut legislation is making its way through Congress, which would result in fresh tax cuts without any corresponding offset in spending. The fears regarding the piling government debt situation worry investors that an increase in bond issuance will be met with lower demand, bringing down market prices.

June 10-Year Notes

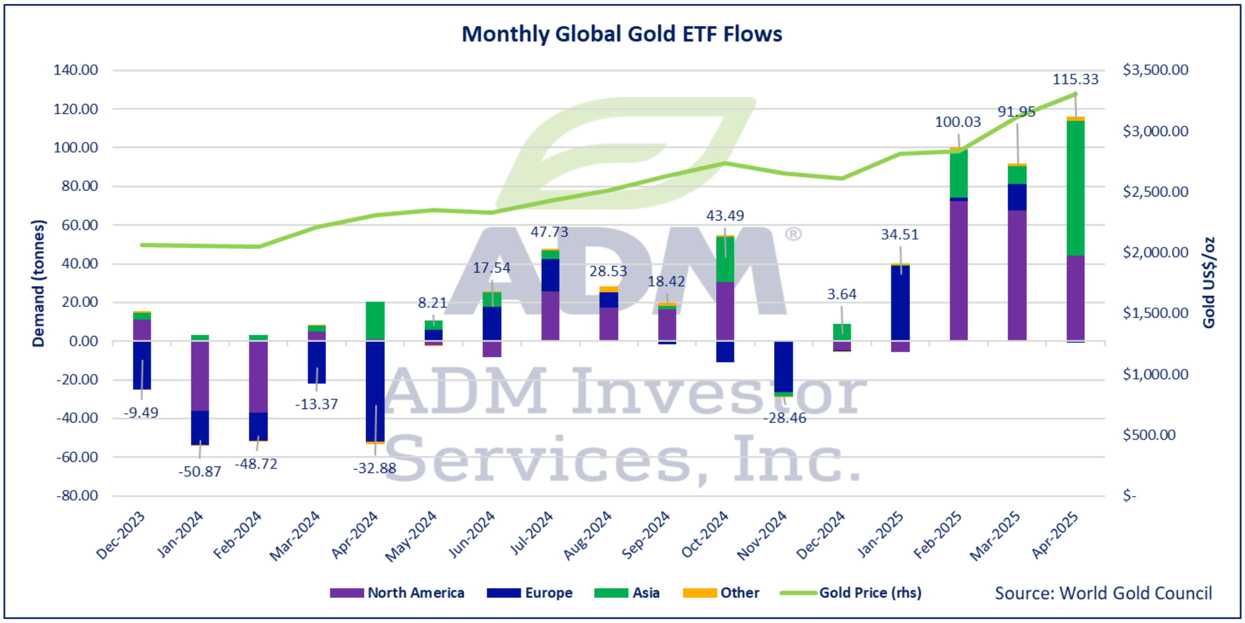


All charts by CQG

Gold

After making historic gains into mid-April, the gold market has come under pressure in recent weeks due to a waning of safe-haven demand and a stronger dollar. On April 22, June Gold hit a record high $3,509, but the price have fallen more than 6% since that date, reflecting the volatility of the greater macro picture. The main catalyst behind the decline was the 90-day tariff-pause agreement between the US and China that saw the US scale back tariffs on China to 30% from 145 and China lower its tariffs from 125% to 10%.

Despite recent pressure, a solid demand picture remains thanks, to strong central bank purchasing and large inflows into gold-backed ETFs. These ETFs saw inflows of more than 115 metric tons globally in April, the largest since March 2022. Asia saw an inflow of 69.6 tons, while North America saw an inflow of 44.2 tons. The Peoples Bank of China added gold to its reserves for the sixth straight month in April, as central banks across the globe bought gold in an effort to diversify their reserves.



Copper

Copper prices have fallen since late April, as oversupply concerns in the US and uncertainty surrounding near-term demand have weighed on prices. The market has been signaling that it expects a 25% tariff to be imposed on the copper imports. In recent weeks, supply has flowed into the US from around the globe, causing CME stocks to increase more than 81% since the beginning of the year to an eight-year high of 152,919 metric tons. The premium of CME copper over LME copper has fallen from $1,600 per metric ton to $600.

Beyond the US market, expectations of global surpluses and the broader macroeconomic uncertainty are contributing to copper's bearish trajectory. The International Copper Study

Group is forecasting a surplus of 289,000 metric tons in 2025, noting that uncertainty surrounding international trade policy is likely to weaken the economic outlook and negatively impact copper demand. Abundant ore production from South America has exacerbated the oversupply situation, and global mine production is expected to increase by 2.3% in 2025. Global manufacturing activity has slowed in recent months, with several key economies reporting contractionary manufacturing PMI readings and cutting economic growth forecasts.

Support and Resistance

Grains

Dec 25 Corn

Support 4.35 Resistance 4.70

Nov 25 Soybeans

Support 10.15 Resistance 10.75

Dec 25 KC Wheat

Support 5.40 Resistance 6.05

Softs

July 25 Cocoa

Support $7,613 Resistance $12,931

July 25 Coffee

Support 318.90 Resistance 323.90

July 25 Sugar

Support 16.50 Resistance 18.50

July 25 Cotton

Support 62.50 Resistance 71.00

Energy

July 25 Crude Oil

Support $55.00 Resistance $68.50

July 25 RBOB

Support $1.8560 Resistance $2.2300

July 25 ULSD

Support $1.8800 Resistance $2.2000

July 25 Natural Gas

Support $3.000 Resistance $4.500

Livestock

August 25 Live Cattle

Support	203.00	Resistance	218.50

July 25 Lean Hogs

Support	90.00	Resistance	102.00

Stock Index

June 25 S&P 500

Support	5,859.75	Resistance	6,060.00

June 25 NASDAQ

Support	21,045.17	Resistance	21,837.92

June 25 Dow

Support	42,162	Resistance	43,383

Currencies

June 25 U.S. Dollar Index

Support	99.168	Resistance	100.908

June 25 Euro Currency

Support	1.11820	Resistance	1.13875

June 25 British Pound

Support	1.3285	Resistance	1.3468

Treasuries

June 25 30-Year Bond

Support	110-12	Resistance	114-28

June 25 10-Year Note

Support	109-110	Resistance	111-010

June 25 5-Year Note

Support	107-082	Resistance	108-055

Metals

June 25 Gold

Support	3,137.4	Resistance	3,410.7

July 25 Copper

Support	4.5032	Resistance	4.7912