ADM Investor Services, Inc.

Monthly Commodity Futures Overview
June 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 ***June 23, 2025.*** *This report is intended to be informative and does not guarantee price direction.*

Corn

Corn prices continue to shrug off tight US and global inventories as the market discounts higher production prospects from Brazil and a favorable weather outlook for the US crop. The market quickly moved on from this month's WASDE report, which on the surface was mildly supportive. In the report, the USDA cut 2024/25 ending stocks by 50 million bushels on higher exports to 1.365 billion, 25 million below expectations. The old crop stocks/use at 8.9% is at a four-year low. China's 2024/25 imports were cut 1 million metric tons to 7 million total. There were no changes to South American production forecasts. Lower old crop stocks carried right through to lower stocks for 2025/26, also down 50 million bushels to 1.750 billion, 40 million below expectations. 2025/26 global stocks were down 2.6 million tons to 275.2 million.

I was surprised that USDA made no change to the 2024/25 Brazilian production forecast, which they held steady at 130 million tons. Some estimates have been as high as 140 million tons, which would beat the previous record of 137 million. I suspect that with Brazil's second-crop harvest slower than normal (5% as of this writing), the USDA choose to sit tight for another month.

Even with a nice recovery in ethanol production, old crop July Corn futures have weakened significantly against to the new crop contracts. The stocks and acreage report at the end of June is likely leaning toward a modest increase in corn planted area. The June survey has increased corn acres from the March estimate in each of the last four years. With only 17% of the US corn acres in drought as of this writing, upside price potential will likely be limited, with record yields probable. The speculative short position likely swelled to nearly 200,000 contracts by mid-June. Without a more threatening US forecast or bullish surprise in next the June Quarterly Stocks and Acreage reports, I'd look for December Corn to challenge its contract low at $4.28 by early July.

Soybeans

Volatility across the soybean complex spiked in mid-June, driven by larger than expected biomass-based diesel blending mandates (RVO's) that resulted in a surge in soybean crushing margins. The EPA proposed green diesel blending rise to 5.61 billion gallons in 2026 and to 5.86 billion in 2027. Existing mandates cover only 3.35 billion. US biodiesel and renewable diesel capacity has been over 6.5 billion gallons annually for the past year. We are still awaiting clarity from the EPA on a small refinery waiver policy. As of this writing, spot board crush margins have shot up about 40 cents from their recent low to $1.56 per bushel. Margins for new crop remain significantly higher at roughly $2.00 per bushel. While spot oil prices surged to a 20-month high, spot meal has slumped to new contract lows. Soybean oil percentage of product value recently peaked at 49%, nearing its all-time high just below 51%.

In the June WASDE report, USDA left 2024/25 US soybean ending stocks unchanged at 350 million bushels, in line with expectations. They did shift 200 million pounds of bean oil demand from domestic biofuel usage to exports, but this could very well switch back following the EPA announcement. China's 2024/25 crush was cut by 1 million metric tons 108 million. US 2025/26 US ending stocks were also unchanged at 295 million bushels. There were no changes to South American production forecasts. Global ending stocks for 2025/26 stocks were increased by 1 million metric tons to 125.3 million. It was no surprise that the US export forecast was left unchanged. The complex will continue to remain sensitive to trade negotiations with China. I lean towards slightly lower soybean acres in the June acreage report, making it critical that the US achieves trendline yields or better with this year's crop.

Daily November Soybeans

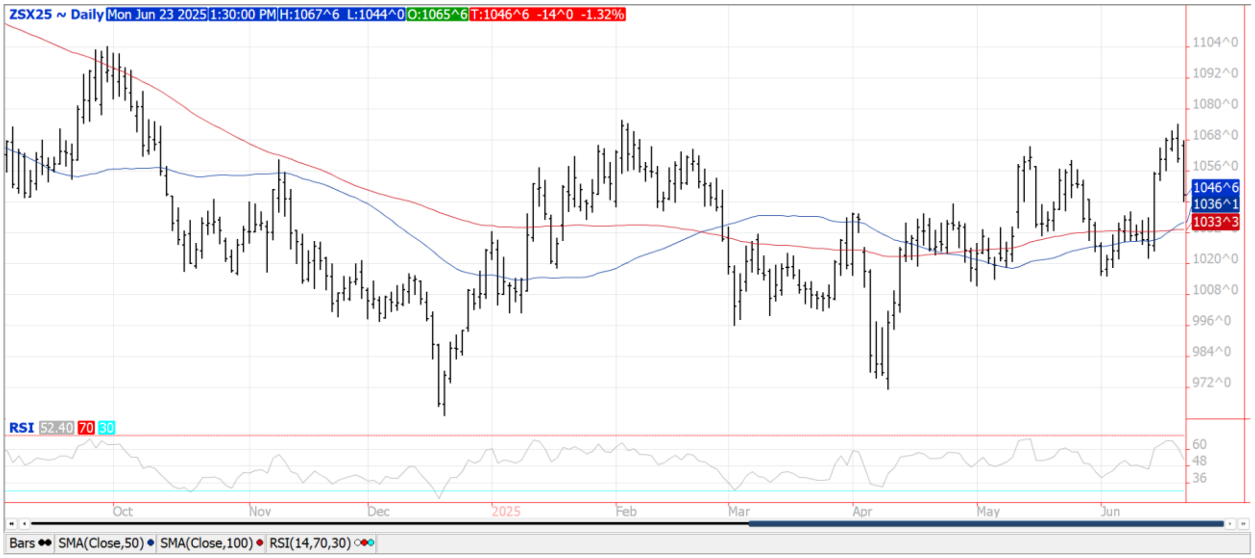

Chart by QST

Wheat

As of this writing, wheat prices have been able to stage a modest recovery off the mid-June lows. The rebound was a result of speculative buying that was largely fueled by heavy rains across the southern US Plains and the Midwest, which slowed the winter wheat harvest. Money managers have been net buyers in wheat for the past four weeks, slashing their record net short position from just over 235,000 contracts to 183,000.

The June WASDE report was uneventful, as USDA held US 2024/25 ending stocks unchanged at 841 million bushels. All wheat production for 2025 was also unchanged at 1.921 billion. No surprise, winter wheat production was also unchanged at 1.382 billion bushels. US 2025/26 ending stocks were cut by 25 million bushels to 898 million on higher exports. Despite the reduction, stocks are still expected to be higher for the third consecutive year. Global ending stocks for 2025/26 were cut by 3 million metric tons to 262.8 million.

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

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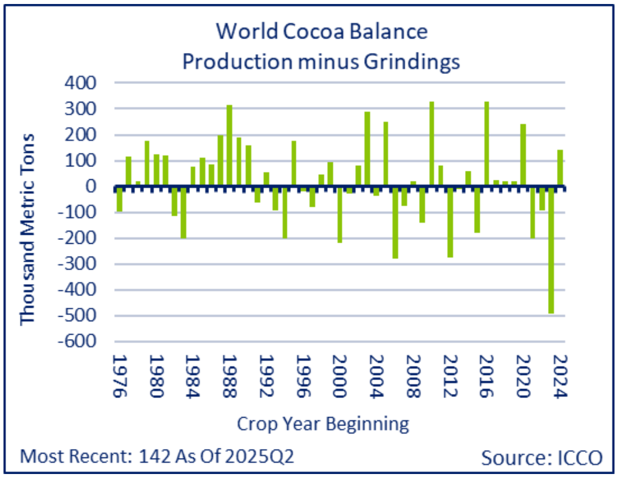
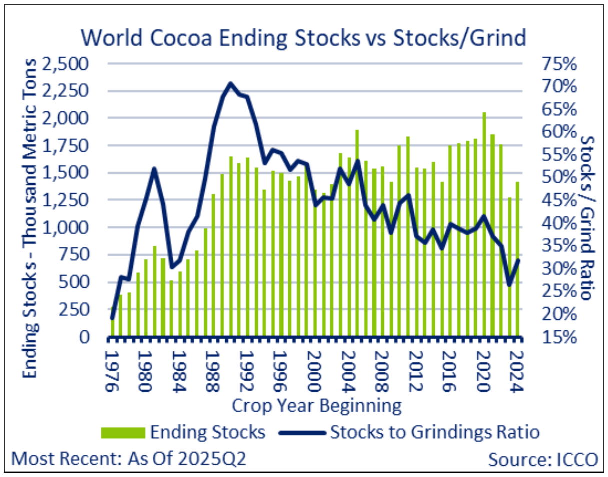
Cocoa

West Africa has received what has been described as “ample” rains over the past month, to the point where some growers in Ivory Coast were expressing concern that too much rain plus overcast skies recently week would cause some beans to be moldy. Ivory Coast port arrivals have been running behind year-ago levels for the past five weeks. Cumulative arrivals for the 2024/25 marketing year are still running ahead of year ago levels, but the gap is narrowing. In its second-quarter Bulletin of Cocoa Statistics, the International Cocoa Organization chose not to provide any update for 2024/25, saying they are reviewing the methodology it uses for forecasts and long-term projections. In the report, world 2023/24 cocoa production was revised down to 4.368 million metric tons from 4.489 million in the first quarter update, and the global deficit at 494,000 tons from 441,000 previously. The result was a 66,000-ton decline in 2023/24 global ending stocks, which implies a similar, 66,000-ton decline in ending stocks for 2024/25 from the first quarter forecast. The current estimate has a 142,000 global surplus for 2024/25, the first surplus in four years. However the stocks/use ratio of 32% would be the second lowest since 1984/85.





Coffee

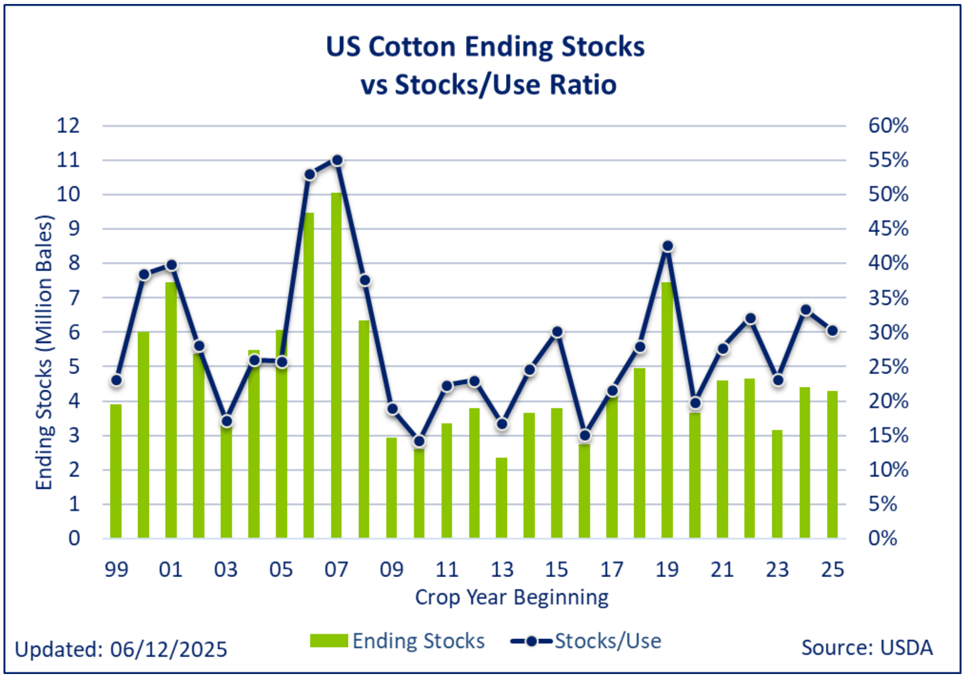
The coffee market has been under pressure over the past month from the advancing robusta harvests in Brazil and Indonesia, which has eased tight supplies and pressured cash markets in Asia. The Brazilian arabica harvest is not as far along, but increasing robusta supplies have pressured arabica prices as well. Safras & Mercado said that Brazil's 2025/26 coffee harvest reached 35% of the planted area as of June 11, short of 37% from a year earlier but ahead of the five-year average at 33%. The robusta harvest was 49% complete versus 51% a year prior and a five-year average of 50%. The arabica harvest was 26% complete versus 30% a year ago and 25% on average. There have been some reports of problems with the newly harvested beans, but the profile of the arabica crop has been generally better than last year, especially with regard to the bean size. It is still too early in the harvest to draw too many conclusions. As of June 11, 22% of the expected Brazilian crop had been sold, in line with a year ago but well below the five-year average of 31%. Arabica sales had reached 24% of production versus 23% a year ago but below the average of 33%. The Brazilian real has reached its highest level in over a year, which reduces the incentive for growers to sell. There have been a couple of frost warnings for Brazil, but so far there has been no threat of permanent crop damage.

Sugar

October Sugar has been in a steady downtrend over the past month, and nearby sugar has fallen to its lowest level since April 2021. A strong, early start to the Indian monsoon this year has boosted expectations for their 2025/26 crop and has increased the odds that nation will be a net exporter. Even prior to the monsoon's arrival, the USDA and some private analysts were looking for a 22-26% increase in Indian production. The UNICA report showed Brazil's Center South Cane crush for the second half of May was +5.5% from the same period last year and that sugar production was +8.9%. This was well above an average of analysts' expectations in a survey conducted by S&P Global, which called for crush to be +1.2% and sugar production to be +4.2%. The crush was larger, but sugar's share was also up, coming in at 52% versus 48% last year. Cumulative production is still behind last year, but it is narrowing the gap. It is now running around 12% behind 2024 versus 23% behind as of May 16 and 39% behind as of May 1.

Cotton

The June USDA Supply/Demand report put US 2025/26 cotton production at 14.00 million bales, down from 14.50 million in the May report. Harvested area was lowered to 8.19 million acres from 8.37 million in May, and yield was dropped to 820 pounds/acre from 832, both due to the heavy rains and delayed plantings in the Delta. Ending stocks came in at 4.30 million bales versus and down from 5.20 million in May. This put the stocks/use ratio at 30.8% versus 36.6% in May, 33.3% last year, and a five-year average of 27.2%. December cotton managed a slight rally in the sessions following the report but within a week it had fallen to its lowest level since April. US crop conditions as of June 15 had reaqched 48% good/excellent versus a five-year average of 47% for that week. Texas was 35% G/E versus a five-year average of 31%. Next up is the June 30 Planted Acreage report, which will provide an updated picture of US cotton plantings this year relative to the March 31 Prospective Plantings number of 9.87 million acres, which was the lowest since 2015/16. Over the last 25 years, the June acreage report has shown an increase over the March report 12 times and a decrease 13 times. The average increase was 5%, and the average decrease was also 5%. Given the slow start for Mississippi, this year could see a decrease.



Crude Oil

The crude oil market worked gradually higher during the first part of June as negotiations between the US and Iran over their nuclear program failed and the prospects of some sort of sanctions relied for Iran faded. The June 13 attacks by Israel on Iran sparked a $7.99 rally in one day, taking the nearby contract to its highest level since January. The market remained volatile through the week, as Israel and Iran exchanged missile fire, including some energy infrastructure, and the trade began to wonder if the US would enter the conflict. That question was answered on Saturday June 21, when the US launched an attack on Iranian nuclear facilities, including the heavily fortified site at Fordo, which it hit with “bunker-buster” munitions. August Crude Oil opened sharply higher on Monday, but sold off through the session to close sharply lower on the day, creating a classic “key reversal” formation the on daily chart. A limited response by Iran to the bombing and a subsequent “cease-fire” announced by President Trump appeared to put a lid on the market, at least for the time being. Iran did not attempt to block the Strait of Hormuz, through which some 20% of the world oil traverses. They ship their own oil through the Strait, and cutting off the ability to do so would have damaged a primary income stream and would risk irritating their main trading partners in China, India and other buyers in Asia. The global oil market has spare capacity, with OPEC+ reported having around 5.7 million barrels per day in excess capacity, with Saudi Arabia and the United Arab Emirates having about 4.2 million bpd extra. Most of that is shipped through the Strait of Hormuz

Natural Gas

The Israel/Iran conflict reached the natural gas market when Iran partially suspended gas production at its South Pars field after an Israeli strike caused a fire there on the weekend of June 15-16. Iran shares the field with Qatar, which calls it the “North Dome.” The field is located offshore in southern Iran and is responsible for the most of the gas production there. Iran is the world's third largest gas producer after the US and Russia. Qatar exports LNG through the Strait of Hormuz, and concerns that Iran may attempt to block the Strait lens support to natural gas prices. Needless to say, there was some relief when Iran did not block or mine the Strait. A heat wave stretching over the eastern half of the US that finally gave a boost to cooling demand after a mild spring helped lift August Natural Gas to its highest level since April 7 on the Friday before the US attacks on Iran, but the market had given back all those gains and then some by the close on Monday. Above normal temperatures are expected across most of the lower 48 states through July 4, with some moderation possible after that. The recent EIA storage report showed US natural gas in storage was down 8% from a year ago but 6% above the five-year average.

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

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Live Cattle

Year-to-date US federal cattle slaughter at the end of May was down 6.2% from the same period in 2024 after being down 4.4% at the end of April. The negotiated average steer price moved from a record high at $218.83 on May 1 a new record of $229.62 by June 1. The choice beef cutout rallied from $343.17 to $366.34 during the month. Contributing to the shortage in the US cattle supply was the New World Screwworm Fly Parasite Quarantine on feeder cattle from Mexico. As of June 6, the USDA Livestock and International Trade Report for January-April showed the number of cattle and calves imported for feeding dropped 52.2% from the same period in 2024. 62.5% were quarantined cattle and calves from Mexico. The USDA expects the quarantine to last through the year.

Live Cattle Futures - Weekly

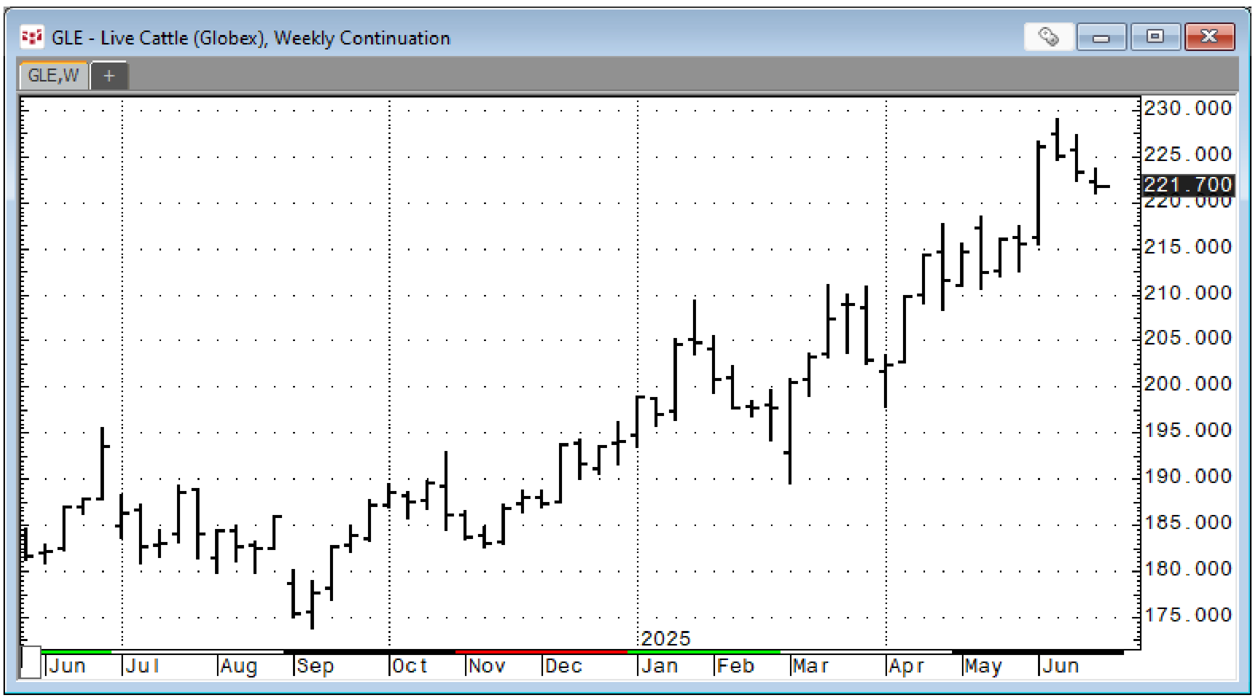

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Chart by CQG

Lean Hogs

Hog and pork prices have been moving steadily higher, in part it is due to the lighter slaughter in 2025 and in part due to rapidly rising beef prices. With beef and cattle prices at historic highs, hogs prices have benefited. At the same time, hog slaughter has declined. From January through May, US Federal hog slaughter was down 1,101,744 from the same period last year. During May, the CME Lean Hog Index moved from $89.57 to $94.13, and the CME Pork Cutout Index went from $97.12 to $102.58. US pork exports for 2025 have been down from last year. The June 7 International Meat Trade Data report showed US Pork and Variety Meats exports were down 5%.

Lean Hog Futures - Weekly

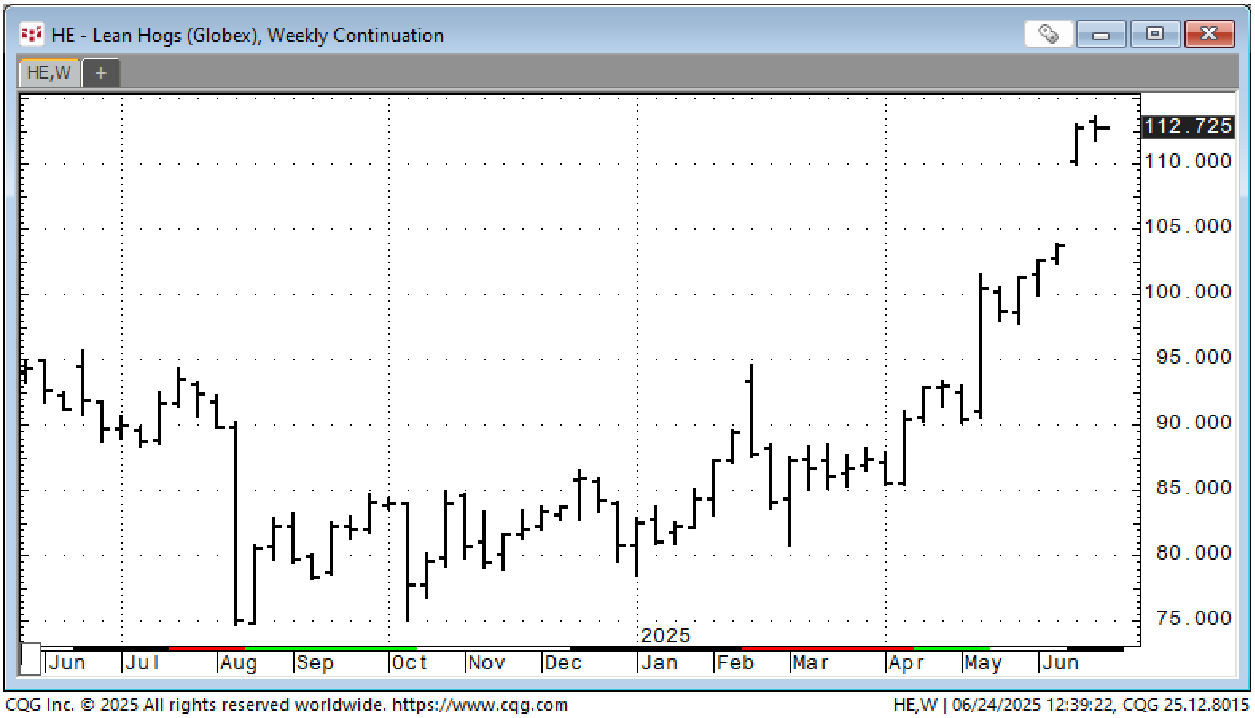

Chart by CQG

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 been characterized by a sentiment of cautious optimism – largely attributed to a lack of progress on US trade deals and uncertainty surrounding the impact of tariffs on the economy. The S&P 500 has posted a solid yet modest gain around +0.60% since between May 19 and June 18, bringing it close to 2% of all-time highs reached in February. Meanwhile, the Nasdaq has gained close to +2% while the Dow slipped -0.8%. Investor sentiment has been buoyed by better-than-expected inflation data, a labor market which has remained resilient, and a mix of corporate earnings and optimism in the tech sector.

Economic reports have displayed a solid labor market with a cooling inflation picture. Although at the time of writing, the impacts from tariffs have yet to be represented in the data, as many businesses front-loaded inventory to avoid tariffs. Retail sales data for May posted a sharp, 0.9% contraction from April, which was below expectations of a 0.1% contraction. Sales excluding gas and autos contracted 0.1%, highlighting that the drop in sales resulted from consumers laying off car purchases after splurging in recent months to get ahead of tariffs.

The Federal Reserve forecasted GDP to rise 1.4% in 2025 and 1.6% in 2026 while maintaining its wait and see approach to monetary policy at its May meeting. US housing starts dropped sharply by 9.8% month-over-month in May 2025 to a seasonally adjusted annual rate of 1.256 million units, down from an upwardly revised 1.392 million in April and well below market expectations of 1.36 million. This marked the weakest level since May 2020 in the early aftermath of the COVID-19 pandemic, as high mortgage rates and an elevated supply of homes for sale dampened builder sentiment and construction activity.

Daily September E-mini S&P

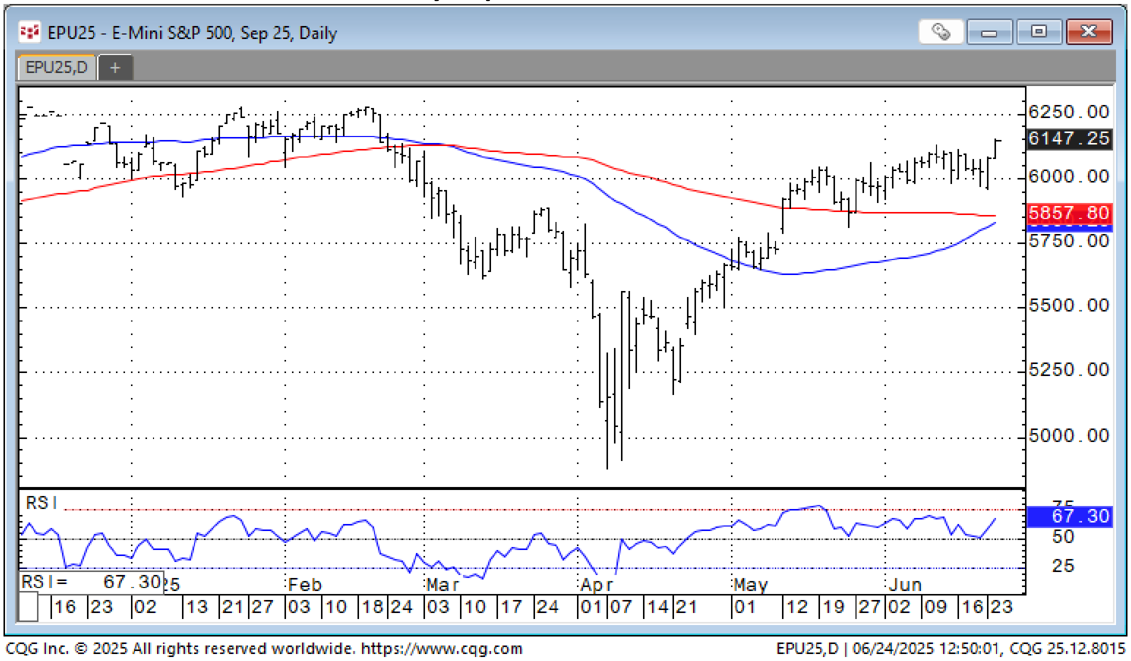


Chart by CQG

US Dollar Index

The dollar has continued its decline against most major currencies, pressured by economic and policy uncertainty in the US and reflecting a shift in investor sentiment and macroeconomic expectations. From May 19 to June 18 the dollar fell roughly 1.5% against a basket of foreign currencies, touching lows of 97.60, last hit in March 2022. Additionally, recent data indicates that foreign central banks are reducing their dollar holdings, while large investment funds are gradually decreasing their exposure to US dollars and equities in favor of European and emerging markets and alternative assets. This trend underscores a broader narrative of a softening dollar amid shifting economic dynamics and growing confidence in global markets outside of the US.

Daily September Dollar Index

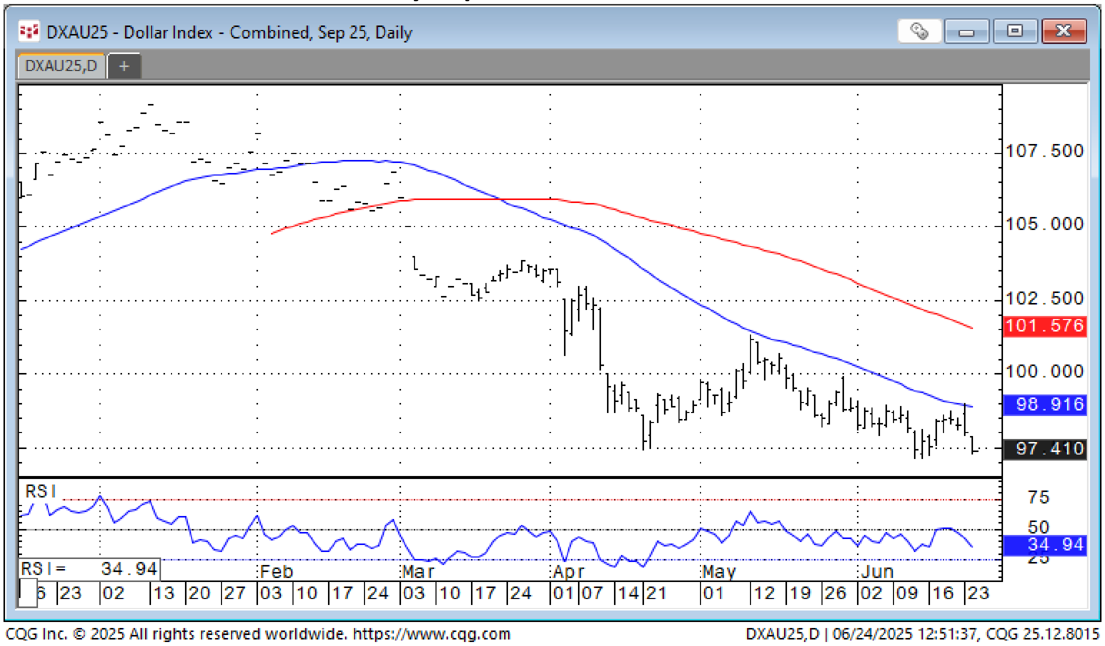


Chart by CQG

Euro Currency

The euro currency has experienced a steady appreciation against the US dollar, rising roughly 2.5% despite recent rate cuts from the European Central Bank. Improved business sentiment and a more stable inflation outlook contributed to increased investor confidence. The ECB cut its inflation forecasts to its target 2% this year, while the latest inflation reading posted a +1.9% annualized print. ECB Bank President Christine Lagarde has said that the bank is likely getting to the end of its monetary easing cycle but will remain vigilant in supporting the economy if needed. The outlook for growth in the eurozone remains in a state of uncertainty due to US tariff policy and the lack of a trade deal between the trading partners. Growth is likely to slow as tariffs bite the economy. Most exports to the US currently face a 10% tariff, and these levies could increase if the European Union and the US fail to reach a trade agreement by the White House's July 9 deadline. A strengthening euro adds to the challenges for European companies, making their exports more expensive and reducing the value of US profits when converted into euros. Despite these headwinds, the ECB still expects the economy to grow by 0.9% this year, although it slightly lowered its 2026 growth forecast.

British Pound

The British pound has experienced a modest growth against the US dollar, gaining roughly 0.8% over the dollar in the last 30 days. The Bank of England left its benchmark interest rate unchanged at its latest meeting, echoing a similar tone to the Federal Reserve's decision. The BOE left its key rate at 4.25%, having cut in May while policymakers said they are likely to lower rates at a "careful and gradual" pace. The UK's annualized rate of inflation fell to 3.4% in May from 3.5% in April, with rises in utility prices largely contributing to the jump in inflation. Increased concerns about energy prices with the current situation in the Middle East has added to fears that inflation could remain sticky for the bank and that workers could demand higher wages to compensate, adding further pressure on prices. Recent data out of the UK has pointed to a slowing economy, with GDP in April contracting -0.30% while unemployment ticked up. Markets expect the BoE to lower its key rate in August, which will also see new forecasts for growth and inflation from the bank.

Interest Rates

The Treasury market has experienced a solid rally over the last month, with the ten-year yield falling around 20 basis points since May 20th. The two-year yield experienced a modest decline, while the 30-year yield also decline around 20 bps, reflecting a flattening of the yield curve. Investors have shown renewed demand for bonds after worries over a lack of demand for US debt subsided following several Treasury auctions for short and long dated debt that turned up solid demand. A slight uptick in jobless claims also supported bond prices over the last couple of weeks. Market participants continue to pay close attention to the tax and spending bill making its way through the Senate, which is set to provide some short-term stimulus but also increase the size of the US debt load over the next decade. The bill would also raise the debt ceiling by $5 trillion and add to expectations that the US Treasury Department would need to increase the size of its bond issuance in order to continue financing the government's growing debt problem.

The New York Fed's latest 'custody' data shows a steady decline in the value of Treasuries and other US securities held on behalf of foreign central banks. The latest figures (as of 6/17 and which are updated weekly) showed a $17.1 billion decline in holdings, and the total value of US debt securities – including mortgage-backed bonds – has fallen around $90 billion since March. The moves signal that foreign bank FX reserve managers are cutting exposure to US bonds. Central banks are traditionally stable, long-term holders of US Treasuries, and their gradual retreat could make the market more sensitive to other investor flows.

Daily September 10-Year Notes

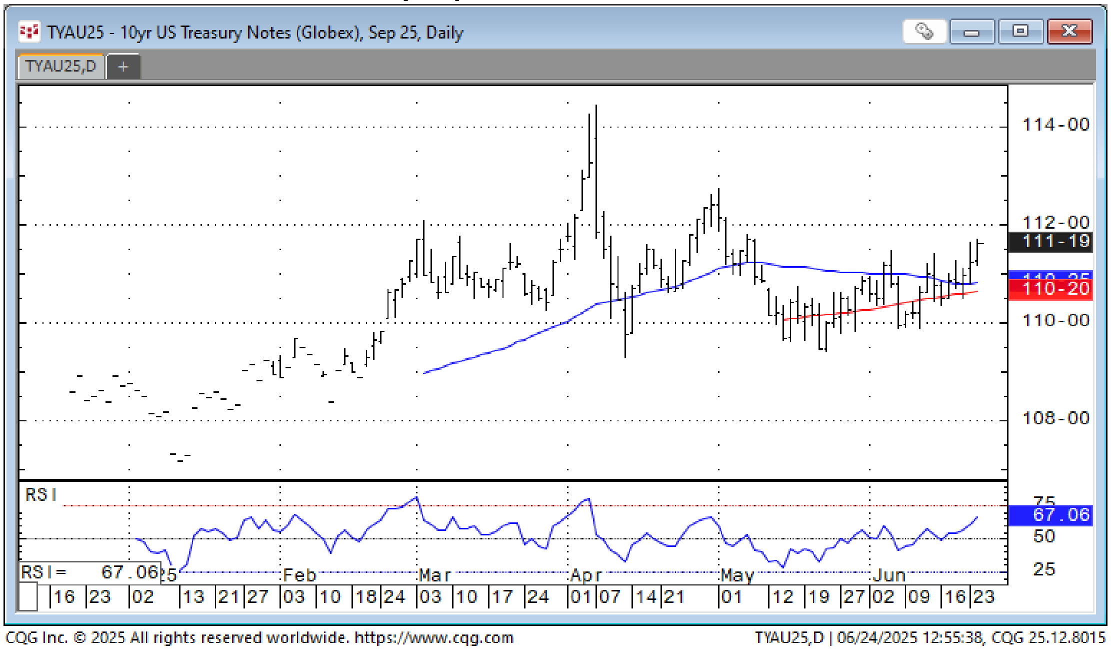
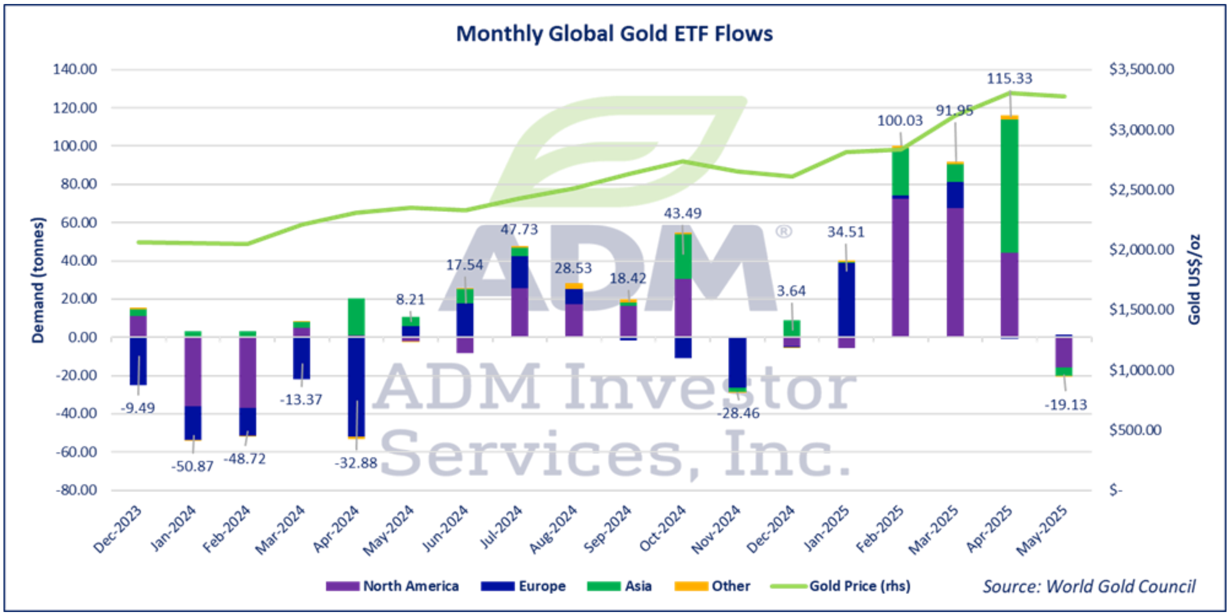


Chart by CQG

Gold

Gold prices have risen over 3% since late May, mainly due to rising geopolitical tensions in the Middle East that has spurred on safe-haven demand for the metal. Strong central bank purchasing of gold and a weaker dollar have also offer support for the metal. Central banks across the globe added a net 12 tons of gold to their reserves in April, and are on pace to purchase 1,000 metric tons of gold in 2025, marking the fourth consecutive year of substantial buying. They averaged a 400-500 metric-ton rate of accumulation in the previous decade, marking a substantial increase in investment. Several African central banks—including those of Namibia, Rwanda, Uganda, and Madagascar—have recently announced plans to either initiate or expand their gold reserves.

A recent survey by the World Gold Council (WGC) revealed that central banks globally anticipate an increase in gold holdings as a share of their reserves over the next five years while expecting a decline in their US dollar reserves. Seventy-three central banks participated in the WGC's survey, conducted between February 25 and May 20. Of those, 76% expect their gold holdings to increase over the next five years, up from 69% in last year's survey. Meanwhile, nearly three-quarters of respondents anticipate a decline in central banks' US dollar-denominated reserves, compared to 62% who held that view a year ago.



Copper

The copper market has experienced moderate volatility, with prices rising to multi-month highs before pulling back slightly and the July contract up more than 4.5% since late May. The copper market has been betting that a US tariff will be imposed at a similar rate of both steel and aluminum, and this has caused copper to flow into the US from around the world ahead of the tariffs' imposition. CME copper stocks continue to break record highs daily, while LME and Shanghai warehouses have seen mass outflows. The early rally was fueled by optimism around Chinese stimulus measures, particularly targeted infrastructure spending and credit easing aimed at reviving the property sector—both of which are major drivers of copper demand. Additionally, supply disruptions in key producing regions like Chile and the Democratic Republic of the Congo added upward pressure. Gains were capped later in the month as global manufacturing data remained mixed, with soft PMIs in Europe and the US raising concerns about broader industrial demand.

Support and Resistance

Grains

Dec 25 Corn

Support $4.15 Resistance $4.55

Nov 25 Soybeans

Support $10.15 Resistance $10.75

Dec 25 KC Wheat

Support $5.45 Resistance $6.15

Softs

September 25 Cocoa

Support	$7,240	Resistance	$9,360

September 25 Coffee

Support	281.60	Resistance	372.75

October 25 Sugar

Support	15.42	Resistance	18.00

December 25 Cotton

Support	64.00	Resistance	72.30

Energy

August 25 Crude Oil

Support	$55.00	Resistance	$75.00

August 25 RBOB

Support	$1.9500	Resistance	$2.4000

August 25 ULSD

Support	$2.0000	Resistance	$2.6000

September 25 Natural Gas

Support	$3.250	Resistance	$4.500

Livestock

August 2025 Live Cattle

Support	$201.00	Resistance	$230.00

August 2025 Lean Hogs

Support	$99.00	Resistance	$115.00

Stock Index

September 25 S&P 500

Support	5,951.42	Resistance	6,141.17

September 25 Nasdaq

Support	21,583.50	Resistance	22,386.75

September 25 Dow

Support	41,950	Resistance	43,252

Currencies

September 25 US Dollar Index

Support	97.847	Resistance	99.137

September 25 Euro Currency

Support	1.14457	Resistance	1.16557

September 25 British Pound

Support	1.3314	Resistance	1.3548

Treasuries

September 25 30-Year T-Bond

Support	112-07	Resistance	115-04

September 25 10-Year T-Note

Support	110-010	Resistance	111-215

September 25 5-Year Note

Support	107-190	Resistance	108-230

September 25 2-Year Note

Support	103-131	Resistance	103-288

Metals

August 25 Gold

Support	3,346.9	Resistance	3,463.6

July 25 Copper

Support	4.7148	Resistance	4.9743