



ADM Investor Services, Inc.

ADM Investor Services Market View

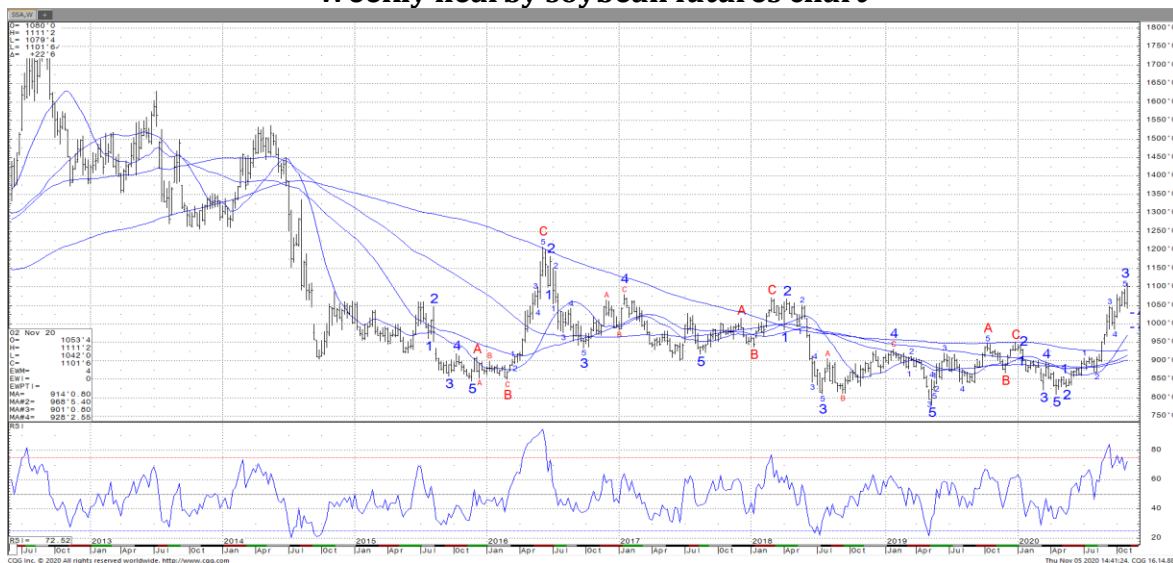
November 5, 2020 by Steve Freed VP ADMIS Grain Research

Soybeans, soyoil, soymeal, corn and wheat traded higher. Good US weekly corn and soybean export sales plus concern about South America weather offered support. US stocks were higher. US Dollar was lower. Crude was lower. Gold was higher.

SOYBEANS

Soybeans traded higher. SF traded over 11.00. This is the first time since 2016 and could suggest a test of 12.00. World soybean stocks to use ratio is near a 23 year low. Talk of lower US 2020 soybean crop and higher demand for US soybean exports could drop the ratio even more. Managed funds are net buyers of 12,000 soybeans, 4,000 soyoil and 6,000 soymeal. We estimate Managed funds are net long 240,000 soybeans, 92,000 soymeal and 97,000 soyoil. There continues to be signs that over the next 2 weeks, rainfall in Russia, South Brazil and Argentina will be less than normal. Big US export sales news today was India buying US soyoil. Some feel US soyoil exports prices are the lowest vegoil price in the World. Sounds like there is no sunoil available from the Black Sea and World palmoil production is declining. Some feel soyoil futures could test 45 cents. There were no new US soybean sales announced. Weekly US soybean export sales were near 1.53 mmt. China bought 810 mt. China export commit is near 26.8 mmt with 10.5 mmt in unknown. Total commit is near 48.5 mmt versus 20.8 last year. USDA goal is 59.8 mmt versus 45.8 last year. National Weather Service said this years South America dry weather pattern is the 2nd driest since they started keeping records in 2002.

Weekly nearby soybean futures chart



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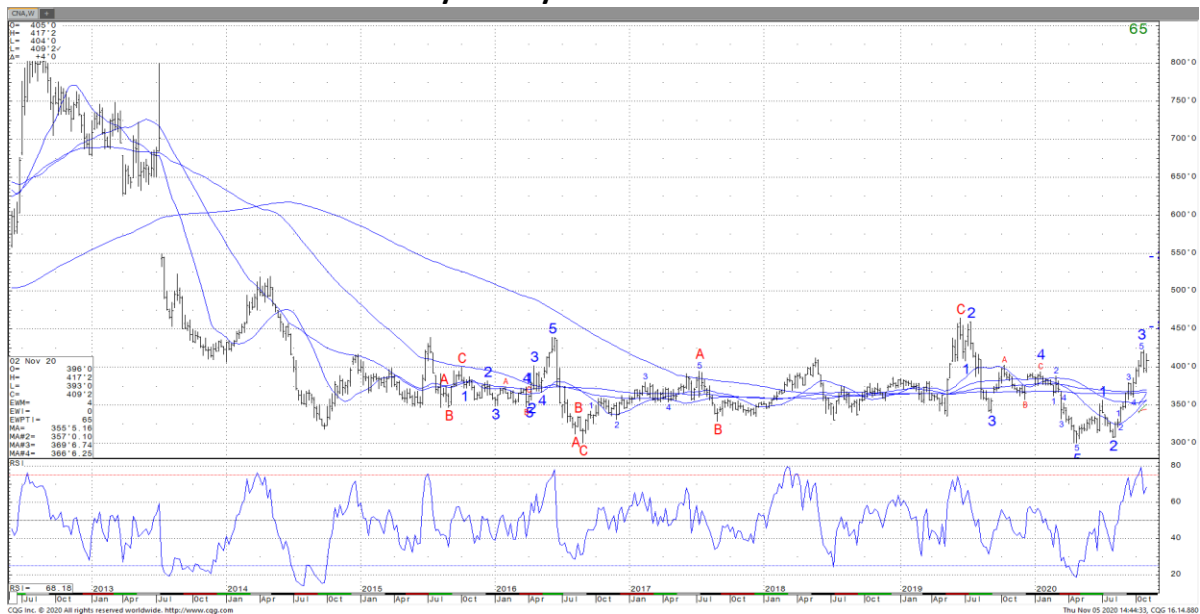


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CORN

Corn futures traded higher. CZ traded over 4.00. Some link this to higher than expected weekly US corn and sorghum weekly export sales, continued dryness in Russia/Ukraine and South America and talk of lower final US 2020 corn crop. Average guess for US 2020 corn crop is 14,569 mil bu versus USDA 14,722. The US 2020/21 corn carryout is estimated near 2,033 versus USDA 2,167. Managed funds are net buyers of 7,000 corn. We estimate Managed funds are net long 238,000 corn. US Midwest 2 week forecast calls for normal to above temps and normal rains. There continues to be signs that over the next 2 weeks, rainfall in Russia, South Brazil and Argentina will be less than normal. US corn harvest is Estimated near 92 pct versus 79 average. There were no new US corn sales announced. There was new US sorghum sold to China. Many thought US sorghum supplies were already tight. Weekly US corn export sales were near 2.61 mmt. Mexico bought 1.0 mmt. China export commit is near 10.7 mmt with 5.2 mmt in unknown. USDA's Foreign Agricultural Service said in a statement that China's corn imports are now estimated at 22m metric tons for the 2020/21 season. Total corn commit is near 33.1 mmt versus 11.9 last year. USDA goal is 59.0 mmt versus 45.1 last year. Talk of higher US corn export demand and a lower US 2020 crop could drop US 2020/21 corn carryout below 1,800 mil bu. Average trade guess for USDA Nov update is 2,033 mil bu versus USDA 2,167. Some feel eventually USDA should drop World corn supplies 13-15 mmt.

Weekly nearby Corn futures chart



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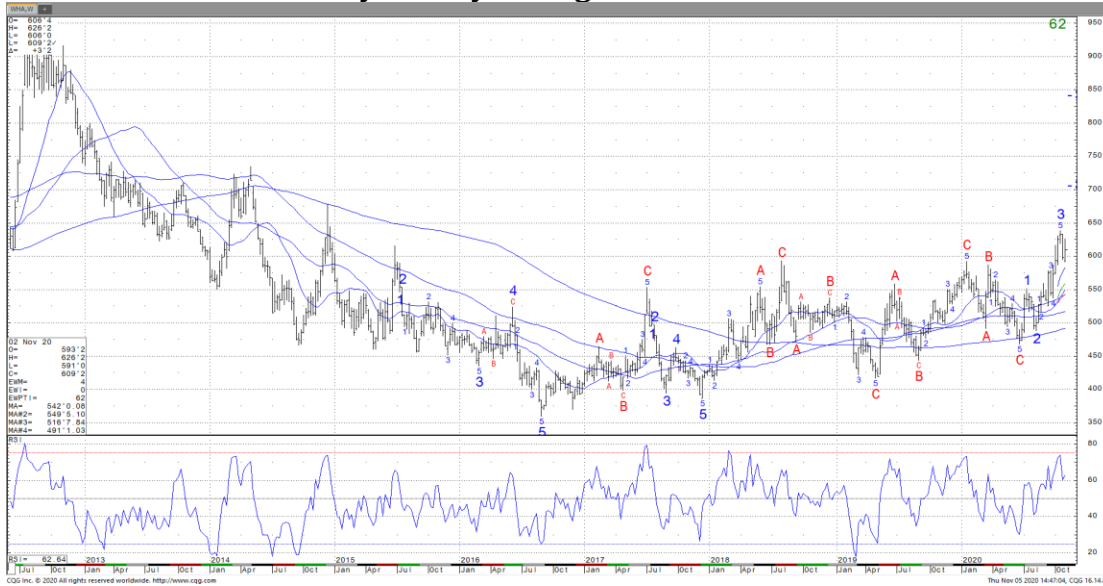
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WHEAT

Wheat futures traded higher but closed off session highs. WZ closed near 6.09 with session high near 6.26. WN tested 6.19. KWZ closed near 5.64 with session high near 5.81. KWN tested 5.94. Dryness in US south plains, east Argentina and Russia continues to support prices. High price of US wheat exports could offer resistance. China reported they will not buy Australia wheat. EU export supplies may drop due to increase domestic feeding. Egypt bought 300 mt Russia wheat in their tender. Russia export prices continue to trend higher but are still below US. Managed funds are net buyers of 5,000 wheat. We estimate Managed funds are net long 44,000 wheat. Weekly US wheat export sales were near 597 mt. Total commit is near 16.7 mmt versus 14.9 last year. USDA goal is 26.5 mmt versus 26.2 last year. USDA estimates total World exports near 189.9 mmt versus 191.5 ly. EU is 25.5 vs 38.4 ly, Russia 39.0 versus 34.4 ly, Canada 25.0 versus 24.6 ly, Australia 19.0 vs 9.5. USDA estimates World wheat end stocks at 321.4 mmt versus 299.4 last year. Trade now looks for stocks to be near 319.7 when USDA updates their numbers on Nov 10 with a range of 318-323.

Weekly nearby Chicago wheat futures chart



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