



ADM Investor Services, Inc.

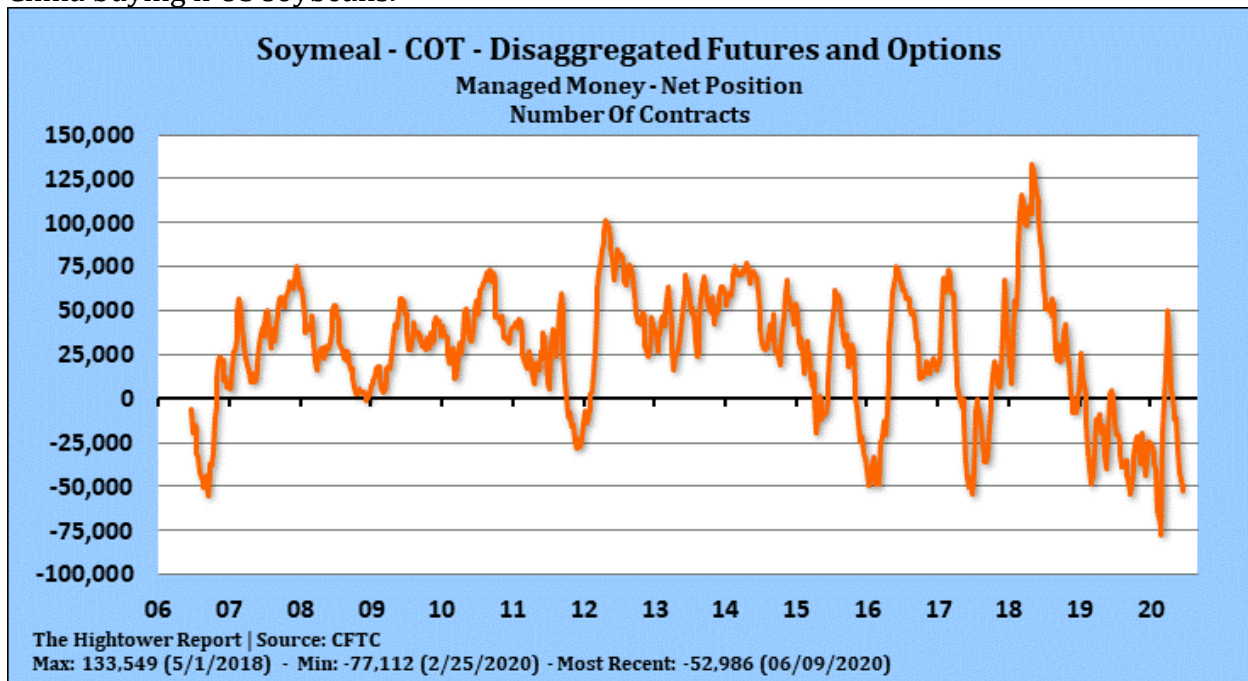
ADM Investor Services Market View

June 19, 2020 by Steve Freed

Soybeans, soyoil, corn and wheat traded higher. Soymeal traded lower. US stocks traded lower. Talk that Apple may close stores as virus cases increase offset early talk that US and China trade talks were positive.

SOYBEANS

Soybean traded higher. World that China may increase buying US soybean offered support. July soybeans has traded over the 100 day moving average for the first time since January. Funds have added to a small net long. 38 pct retracement of the drop in prices would be near 8.81. 50 pct retracement is be near 9.01. US soybean export prices are cheaper to China than Brazil. Asian vegoil prices were up sharply overnight. Some link that to lower China and India supplies. US Midwest 7 day weather forecast calls for normal rains and normal temps. Key is July weather with some forecasting a return of above normal temps and below normal rains. On June 30 USDA will issue an update to US 2020 planted acres by crop and June 1 stocks. Most look for USDA to estimate and increase in acres. This could add to US 2020/21 supplies. June 1 stocks could be near 1,430 mil bu versus 1,783 last year. Key to prices will be US summer weather. Key to basis and spreads will be pace of China buying if US soybeans.



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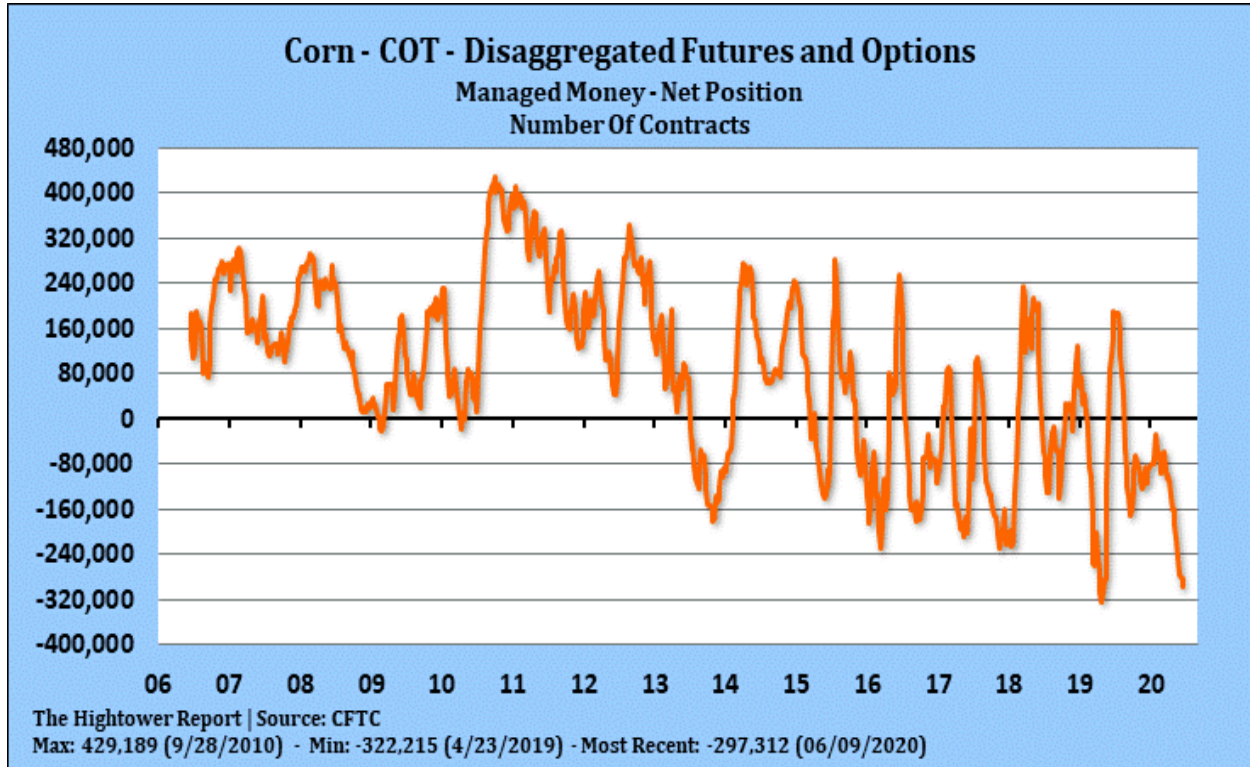


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CORN

Corn futures edged higher. Some of the buying was linked to optimistic US and China talks that could open the door for China to increase buying of US corn, ethanol and meat. There is also talk that China may soon approve new import quotas that would allow them to buy 5 mmt of US corn. This is below the rumored Phase 1 trade deal but could support prices. US and Brazil export basis are firming. Still, Argentina corn export prices are cheaper than US. Overnight, China domestic corn prices dropped from recent highs on talk of increase US imports. July corn is above the 20 and 50 day moving averages. 100 day moving average resistance is near 3.46. Most of the corn news is bearish but funds do have a near record short position. It will take a weather problem to trigger their short covering. Rains fell yesterday in parts of the west Midwest. Rains are moving east today. US 7 day weather outlook is forecasting rains for most of the plains and Midwest. World Weather could see the ridge return after next weekend. Key could be US tropical season. More active tropical events in US SE could reduce rainfall in the US Midwest especially western states.



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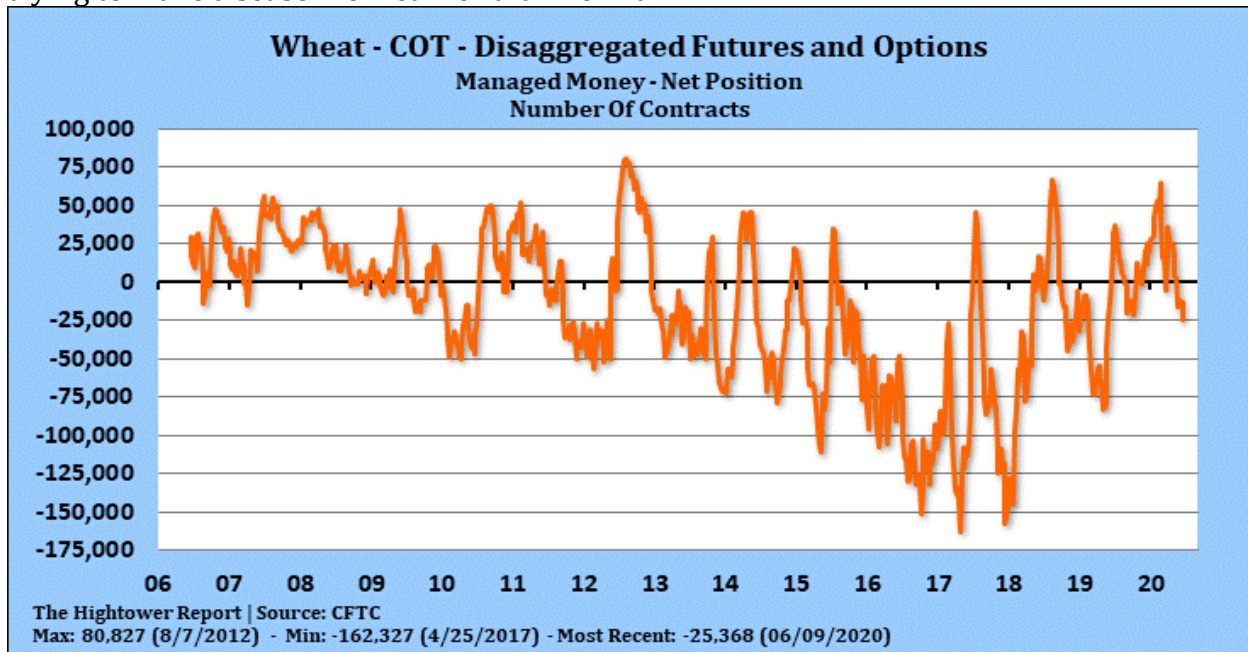


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WHEAT

Wheat futures traded marginally lower. Increase US winter wheat harvest offered resistance. Talk of slower World demand for wheat imports also weighed on prices. Optimistic trade talks between US and China offered support. Rumors of China interest in US wheat supported US export basis. There is talk that China may soon approve import quotas of 3 mmt of US wheat. While not a big number it could help support prices. Managed Funds have increased their net wheat short. News of China buying US wheat could trigger some short covering. Still, large global 2020 supplies could limit the upside in prices. Europe farmers have been reluctant sellers on concern of the size of their 2020 wheat crop and quality. Still concern over World import demand has limited price gains. Fact Egypt bought Russia and Romania wheat in this week's tender also offers resistance to prices. US 2020 SRW harvest has begun and is moving quickly. KY yields are lower than expected. Wheat futures are near season lows and becoming oversold. Some feel that futures are trying to make a season low earlier than normal.



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