



ADM Investor Services Market View

August 27, 2020 by Steve Freed

Soybeans, soymeal, soyoil, corn and wheat futures all traded higher on good US weekly new crop export sales and drier US Midwest weather forecast. US stocks were higher. US Fed Chairman comments of sustained lower US interest rates offered support. His comments were also inflationary.

SOYBEANS

Nov soybean futures jumped 20 cents and traded near 9.45. Drier US Midwest weather forecast triggered new fund buying. Fact weekly US soybean export sales to China remain brisk also offered support. Weekly US 2020/21 soybean export sales were near 1.8 mmt. Total commit is near 22.4 mmt. China commit is near 12.5 mmt. There is 6.7 mmt in unknown. US 20/21 soybean export goal is near 57.8 mmt. US 2019/20 soybean export commit is near 47.5 mmt versus 48.7 last year. Brazil announced they will temporarily drop the import tax for soybean and other AG products. Could this mean they might buy US? Brazil estimates current soybean stocks 14 mmt below last year at this time. SX traded over 9.25 and is testing 9.50. Next resistance could be 9.75. Fact US western states rain forecast is less than yesterday forecast is helping futures. Some now estimate that the NW cornbelt may see less than ½ inch of rain over the next 10 days. Eastern states could still see general coverage of .50-1.50 inches. Most are looking for another 2-3 pct drop in weekly soybean crop ratings next Monday.

November soybean futures chart



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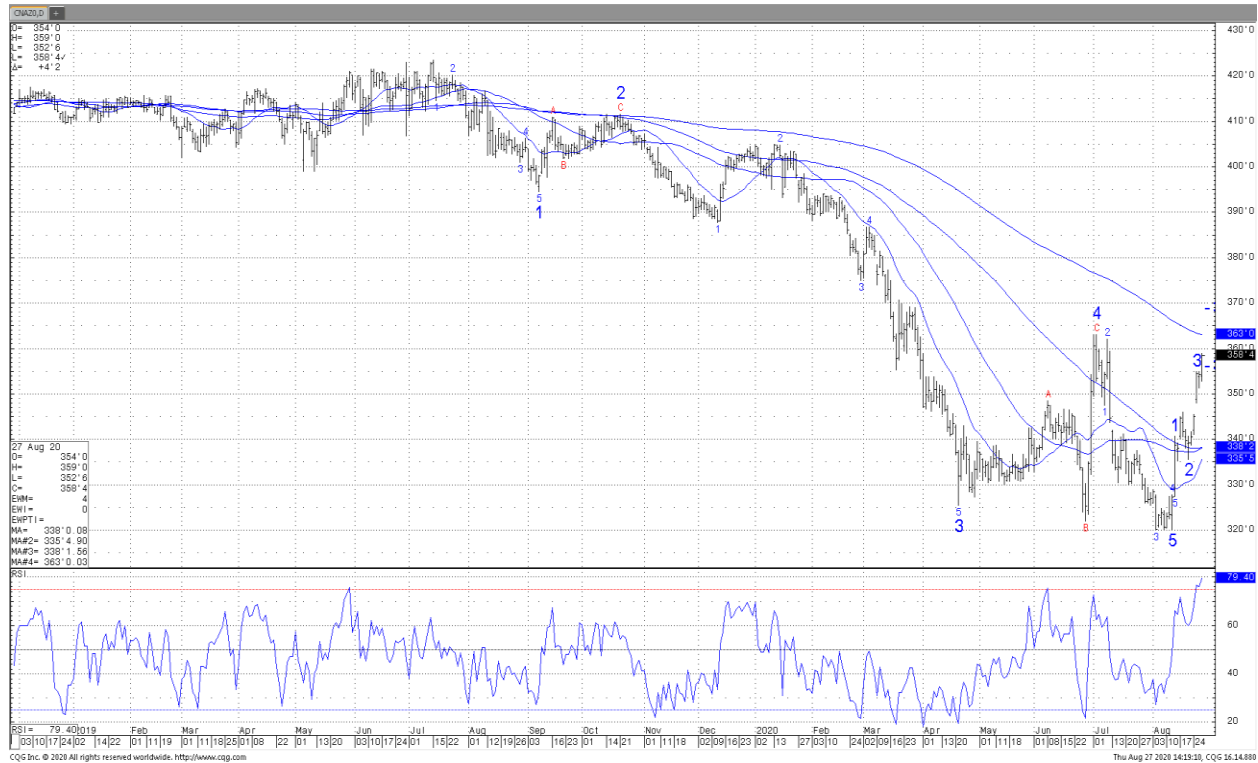


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CORN

Corn futures traded higher. Talk of lower US corn yield due to dryness helped firm prices. Dec corn is testing key 200 day moving average resistance. Trade over could suggest a test of 3.80. There was also talk that crop adjusters were finding more Iowa corn acre loss than Expected. Remaining harvest acres yield could drop below USDA Aug guess. Market could add additional weather premium if over the weekend and next week parts of NE, SD, IA and MN miss needed rains. Fact US western states rain forecast is less than yesterday forecast Helped futures. Some now estimate that the NW cornbelt may see less than ½ inch of rain over the next 10 days. Eastern states could still see general coverage of .50-1.50 inches. Temps turn cooler after Friday. Most are looking for another 2-3 pct drop in weekly corn and crop ratings next Monday. Weekly US 2020/21 corn export sales were near 1.2 mmt. Total commit is near 13.3 mmt. China commit is near 6.4 mmt. There is 1.54 mmt in unknown. USDA also announced 747 mt new crop corn sales to China and 140 mt new crop corn sales to unknown. USDA 2020/21 US corn export goals is 56.5 mmt. US 2019/20 corn export commit is near 44.5 mmt versus 50.1 last year.

December corn futures chart



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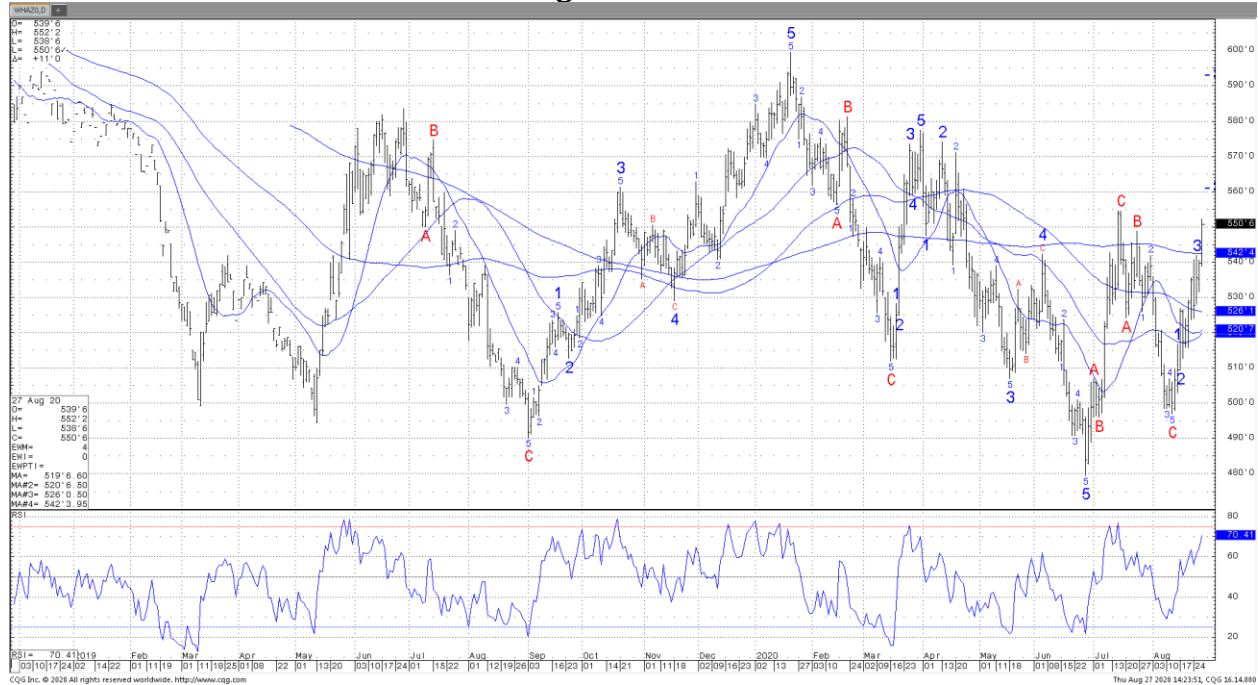
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WHEAT

Wheat futures traded higher and followed higher corn and soybean price action. Dec Chicago wheat traded above 200 day moving average resistance. Next resistance is 5.54 then 5.70. Dec KC wheat traded above 100 day moving average resistance. Next resistance is 4.81 then 5.00. Dec Minn wheat traded above 100 day moving average resistance. Next resistance is 5.50. World wheat fundamentals have not changed much during this price rally. Rally in US futures has now pushed US export prices \$30 dollars over Russia. Higher Russia, Canada and Australia crops and slow start to World export trade continues to suggest record World wheat end stocks near 317 mmt. Managed funds have been buyers of 7,000 wheat. Managed funds are long 12,000 wheat, Weekly US 2020/21 wheat export sales were near 764 mt. Total commit is near 11.8 mmt versus 11.0 last year. China commit is near 1.2 mmt. USDA estimates US wheat exports near 26.5 mmt versus 26.2 last year.

December Chicago wheat futures chart



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